

**MASTER  
NEGATIVE  
NO. 95-82324-3**

## **COPYRIGHT STATEMENT**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials including foreign works under certain conditions. In addition, the United States extends protection to foreign works by means of various international conventions, bilateral agreements, and proclamations.

Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specified conditions is that the photocopy or reproduction is not to be "used for any purpose other than private study, scholarship, or research." If a user makes a request for, or later uses, a photocopy or reproduction for purposes in excess of "fair use," that user may be liable for copyright infringement.

The Columbia University Libraries reserve the right to refuse to accept a copying order if, in its judgement, fulfillment of the order would involve violation of the copyright law.

Author:

U.S. National War Labor  
Board

Title:

Wage stabilization

Place:

[Washington, D.C.]

Date:

[1945]

95-82324-3  
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES  
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

BUSINESS

262  
Un335

U. S. National war labor board (1942- )  
... Wage stabilization. General orders and interpretations under Executive order 9250, Executive order 9328, and the regulations of the Director of economic stabilization. Interpretations issued by the Office of the general consul and approved by the National war labor board. Washington, U. S. Govt. print. off., 1945,  
iv, 67 p.

At head of title J National war labor board.  
(Continued on next card)

BUSINESS

262  
Un335

U. S. National war labor board (1942- )  
Wage stabilization. General orders and interpretations ... 1945, (Card 2)

~~Supplement no. 1. Washington,  
U. S. Govt. print. off., 1945,  
1 p. l., 9 l.~~

At head of title: National war labor board.  
"Contains revisions to the General orders of the National war labor board which have been made since the original booklet was published."

RESTRICTIONS ON USE:

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm

REDUCTION RATIO: 12x

IMAGE PLACEMENT: IA IIA IB IIB

DATE FILMED: 1-18-95

INITIALS: PB

TRACKING #: MSH 03895

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

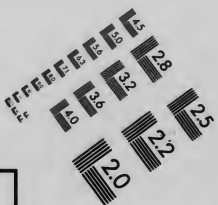


2.0 mm

ABCEFGHIJKLMNOPQRSTUVWXYZ  
abcdefghijklmnopqrstuvwxyz1234567890

1.5 mm

ABCEFGHIJKLMNOPQRSTUVWXYZ  
abcdefghijklmnopqrstuvwxyz1234567890



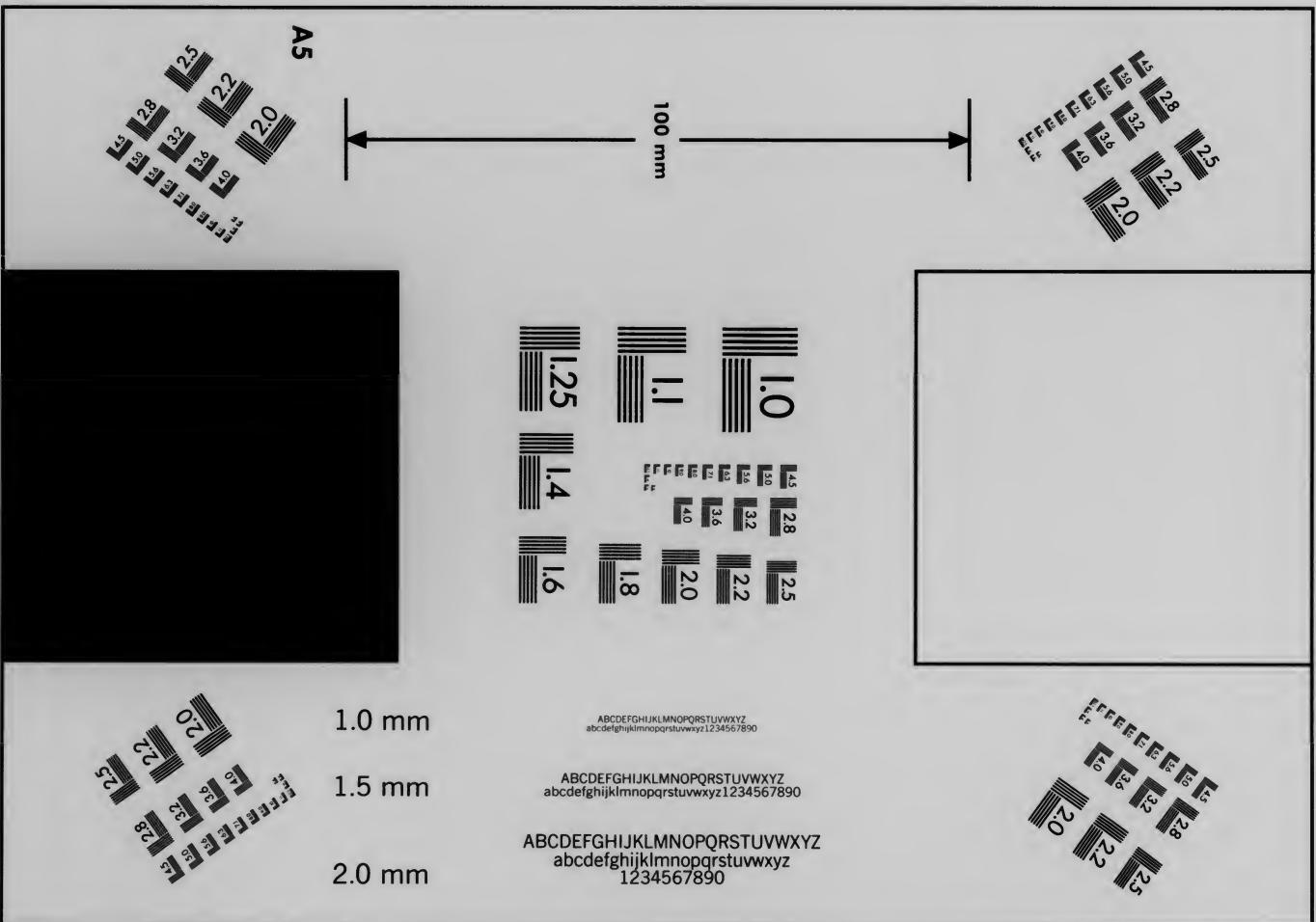
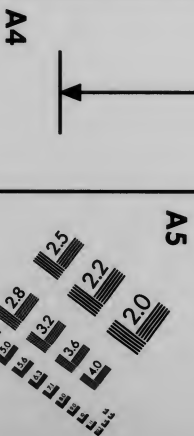
# PM-MGP 13"x18" METRIC GENERAL PURPOSE TARGET PHOTOGRAPHIC



200 mm

150 mm

100 mm



ABCEFGHIJKLMNOPQRSTUVWXYZ  
abcdefghijklmnopqrstuvwxyz1234567890

ABCEFGHIJKLMNOPQRSTUVWXYZ  
abcdefghijklmnopqrstuvwxyz1234567890

ABCEFGHIJKLMNOPQRSTUVWXYZ  
abcdefghijklmnopqrstuvwxyz1234567890

ABCEFGHIJKLMNOPQRSTUVWXYZ  
abcdefghijklmnopqrstuvwxyz1234567890

1.0 mm

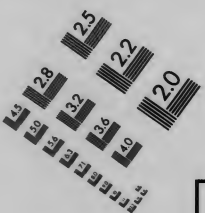
1.5 mm

2.0 mm

2.5 mm

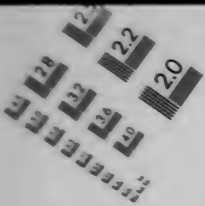
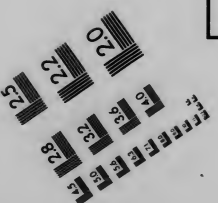
A4

A5



1303 Geneva Avenue  
St. Paul, MN 55119

## PRECISION<sup>SM</sup> RESOLUTION TARGETS



4.5 mm

3.5 mm

ABCEFGHIJKLMNOPQRSTUVWXYZ

abcdefghijklmnopqrstuvwxyz

1234567890

ABCEFGHIJKLMNOPQRSTUVWXYZ

abcdefghijklmnopqrstuvwxyz1234567890



410  
School of Business Library  
Columbia University

COLUMBIA UNIVERSITY  
LIBRARIES

MAR 20 1945

NATIONAL WAR LABOR BOARD

ID 262  
Un 335

# WAGE STABILIZATION GENERAL ORDERS AND INTERPRETATIONS

Under Executive Order 9250,  
Executive Order 9328  
and the Regulations of the  
Director of Economic Stabilization

---

Interpretations issued by the  
Office of the General Counsel  
and approved by the  
National War Labor Board

# Business D262 Un 335 GENERAL ORDERS

Of The  
NATIONAL WAR LABOR BOARD

### TABLE OF CONTENTS

General Order Number	Page
1. Wage increases ordered by NWLB prior to October 2, 1942.....	1
1a. Salary increases ordered by NWLB prior to October 2, 1942.....	1
2. Procedures in disputes affecting wages.....	1
3. Wage increases made before October 3, 1942.....	1
4. Employers of eight or fewer employees.....	3
5. Individual wage adjustments pursuant to an established wage schedule.....	9
6. New rates and rate ranges.....	10
7. Increases made in compliance with Fair Labor Standards Act or State Minimum Wage laws.....	11
8. Wage and salary adjustments in territorial possessions of United States.....	12
9. Adjustments in Salaries totaling not in excess of \$5,000 per annum.....	13
10. Bonuses, fees, gifts, and commissions.....	16
10a. Bonuses to employees entering armed services.....	19
11. Increases granted in good faith before November 7, 1942, without WLB approval.....	19
12b. Employees of State, county, municipal governments.....	19
13. Wage Adjustment Board for building construction industry.....	21
14. War Department employees.....	24
15. Rates fixed by umpires or arbitrators for new jobs under collective agreement.....	27
16. Adjustment of rates paid to females with those paid to males.....	27
17. Office of Price Administration employees.....	28
18. Navy Department employees.....	29
19. Federal Reserve System employees.....	30
20. United States Employment Service employees.....	30
21. Interior Department employees.....	31
22. Escalator clauses in contracts.....	32
23. Alaska made part of Region XII.....	32
24. Agriculture Department employees.....	33
25a. Tennessee Valley Authority employees.....	34
26. Non-profit organizations.....	35
27. National Housing Agency employees.....	35
28. Government Printing Office employees.....	36
29. Pan-American Union employees.....	36
30. Increases in rates below 50¢ per hour.....	37
31. Individual merit and length of Service, adjustments.....	38
32. Federal Deposit Insurance Corporation employees.....	56
33. War Relocation Authority employees.....	57
34. Commerce Department employees.....	58
35. Federal Security Agency employees.....	58
36. Wage and salary adjustments in Territory of Hawaii.....	59
37. War Department employees in Hawaii.....	61
38. Incentive wage or piece rate adjustments requiring NWLB approval.....	62
39. Delegation of authority to Director of Selective Service.....	63

II

## INDEX TO GENERAL ORDERS

	Page
Administrative salaries.....	13
Agriculture Department.....	33
Alaska:	
Under WLB jurisdiction.....	12
Made part of Region 12.....	32
Apprentice programs.....	38
Arbitrators, rates fixed by.....	27
Armed service, bonus on entering.....	19
Bonuses.....	16
Bonuses to employees entering armed services.....	19
Building construction rates.....	21
Cemeteries.....	35
Charitable organizations.....	35
Christmas bonuses.....	16
Commerce department.....	58
Commissions.....	16
Community chests.....	35
Construction Industry rates.....	21
County governments.....	19
Decreases not permitted under General Order No. 9.....	13
Decreases in rates for new employees.....	10
Disputes on wages, WLB procedures affecting.....	1
Educational organizations.....	35
Eight or fewer employees.....	3
Employers not exempt under General Order No. 4.....	3
Employers of eight or fewer.....	3
Employers of thirty or fewer.....	38
Employment Service.....	30
Equal pay for women.....	27
Escalator clauses in contracts.....	32
Exceptions to General Order No. 4.....	3
Executives' salaries.....	13
Extension of General Order No. 4.....	3
Fair Labor Standards, increases under.....	11
Federal Deposit Insurance Corporation.....	56
Federal Reserve Bank.....	30
Federal salaries fixed by statute.....	13
Federal Security Agency.....	58
Fifty-cents per hour.....	37
Fifty-cents per hour, increases not above.....	37
Foundations.....	35
Funds.....	35
Gifts.....	16
Government Employees:	
Agriculture Department.....	33
Commerce Department.....	58
Federal Deposit Insurance Corporation.....	56
Federal Reserve System.....	30
Federal Security Administration.....	58
Interior Department.....	31
National Housing Agency.....	35
Navy Department.....	29
Office of Price Administration.....	28
Printing Office.....	36
Selective Service.....	63
Tennessee Valley Authority.....	34
U. S. Employment Service.....	30
War Department.....	24
War Department in Hawaii.....	61
War Relocation Authority.....	57

III

	Page
Government Printing Office.....	36
Hawaii.....	59
Hawaii War Department Establishments.....	61
Hiring rates (Section F page 57).....	38
Incentive Plans.....	62
Increases before November 7, 1942, without WLB approval.....	19
Increases before October 2, 1942.....	1
Increases in compliance with Fair Labor Standards or Minimum Wage Laws.....	11
Increases not above fifty cents per hour.....	37
Individual wage and salary adjustments:	
Under General Order No. 5.....	9
Under General Order No. 31.....	38
Interior Department.....	31
Interpretative Bulletin No. 1 on General Order No. 31.....	44
Interpretative Bulletin No. 2 on General Order No. 31.....	47
Interpretative Bulletin No. 3 on General Order No. 31.....	50
Job reclassification plans.....	38
Joint wage committee on printing.....	36
Literary organizations.....	35
Length of Service increases.....	38
Merit increases.....	38
Military service, bonus on entering.....	19
Minimum wage laws.....	11
Municipal Governments.....	19
National Housing Agency.....	35
Navy Department.....	29
New employees.....	10, 38
New rate ranges.....	10
New rates.....	10
New salaries.....	10
Nonprofit organizations.....	35
Office of Price Administration.....	28
Pan American Union.....	36
Piece rates, revision of established.....	62
Piece rates as adjusted under contracts.....	9
Political sub-divisions, salaries fixed by statute.....	13
Promotions.....	38
Questions and answers on General Order No. 31.....	44
Rates fixed by umpires or arbitrators under collective agreement.....	27
Reclassifications.....	38
Religious organizations.....	35
Salaries fixed by statute.....	13
Salaries not above \$5,000.....	13
Salaries ordered by WLB prior to October 2, 1942.....	1
Service increases.....	38
State, County, Municipal Governments.....	19
State minimum wage laws.....	11
State salaries fixed by statute.....	13
Substandard of living adjustments.....	37
Tennessee Valley Authority.....	34
Territorial possessions of the U. S.....	12
Thirty or fewer employees.....	38
Trainee Programs.....	38
Umpires, rates fixed by.....	27
U. S. Employment Service.....	30
U. S. Territorial Possessions.....	12
Wage Adjustment Board.....	21
Wage boards under Interior Department.....	31
Wage increases made before October 2, 1942.....	1
Wage rates ordered by WLB before October 2, 1942.....	1
War Department.....	24
War Department Establishments in Hawaii.....	61
War Relocation Authority.....	57
Women, equal pay for.....	27
Year-end bonuses.....	16

## GENERAL ORDER NO. 1

(Adopted October 7, 1942)

All increases in wage rates which have been directed by the War Labor Board prior to October 3, 1942, shall be put into effect in accordance with the terms of the Directive Order in each particular case.

## GENERAL ORDER NO. 1-A

(Adopted November 6, 1942)

General Order No. 1, issued by the National War Labor Board on October 7, 1942, shall apply also to salaries subject to the jurisdiction of the Board. (For definition of such salaries, see General Order No. 9, October 30, 1942.)

## GENERAL ORDER NO. 2

(Adopted October 7, 1942)

The procedures in the National War Labor Board for the adjustment of labor disputes affecting wages established under Executive Order No. 9017, dated January 12, 1942, shall remain in full force and operation, and in all present or future cases in which the jurisdiction of the Board has attached or shall attach by certification or otherwise, the parties shall be deemed to have given notice within the terms of Title II, Section 1, of Executive Order No. 9250, dated October 3, 1942.

## GENERAL ORDER NO. 3

(Adopted October 7, 1942, Amended September 14, 1943)

(a) The National War Labor Board hereby approves all increases in wage rates which were put into effect on or before October 3, 1942. Such approval includes increases first reflected in a pay roll subsequent to October 3, 1942, if applicable to work done, and provided for by written agreement or formally determined and communicated to the employees, on or before that date. An adjustment taking effect after October 3, 1942, or, regardless of its effective date, resulting from the award or decision of an arbitrator or referee made after October 3, 1942, is, however, subject to the approval of the Board, although the agreement providing therefor, or the order or agreement for arbitration or reference, may have been made prior to that date.

(b) All such increases shall be subject to the right of the Board to review and to order the discontinuance of further payment of all or part thereof.

Q. 1. Where a written agreement was signed by an employer and a labor union on September 29, 1942, providing for a wage increase effective October 1, 1942, but the agreement was subject to approval by the union membership and was not actually approved by the membership until October 4, is the agreement within General Order No. 3?

A. Yes. The fact that the agreement was subject to the approval of the union membership and that it was not actually approved until after October 3 does not alter the fact that the agreement was reached prior to October 3.

Q. 2. Where a contract executed prior to October 3, 1942, provides for wage increases upon stated rises in the cost of living, may such increases be granted without the approval of the Board?

A. No. See General Order No. 22.

Q. 3. What is the meaning of the phrase in General Order No. 3 which provides that a proposed increase must have been "formally determined and communicated to the employees" on or before October 3, 1942?

A. This phrase relates to employers who, in the absence of a union agreement, decided to put a wage increase into effect on or before October 3 by resolution of the Board of Directors or other similar formal action, and notified the employees by posting notices to that effect on the bulletin board, or in some other manner. If the determination to grant the increase was made by action of the board of directors, executive committee, or other officers having final authority to act, and some contemporary record was made of the action, such determination would constitute formal action within the meaning of the General Order. If the formal action was in fact communicated verbally to all of the employees affected, the communication requirement would be satisfied. The formal action contemplated relates to the employer's decision to put the wage increase into effect. It does not relate to the manner in which notice of the wage increase was communicated to the employees. The decision must be "formal"; the notice of the decision need not be.

Q. 4. Where a collective bargaining agreement providing for wage adjustments has been negotiated between a union and an employers' association prior to October 3, 1942, may the adjustments be applied without the approval of the Board to employers doing business in the area who thereafter become members of the association after October 3?

A. No.

Q. 5. If an employer, prior to October 3, 1942, instituted a vacation plan as compensation for work performed during the 1942 calendar year, may the vacations be granted to employees under the plan without Board approval if the vacation periods do not occur until after October 3, 1942?

A. Yes.

Q. 6. May individual increases be granted to employees after October 3, 1942, without Board approval if such increases are made in accordance with a properly established wage or salary schedule?

A. Yes.

## GENERAL ORDER NO. 4

(Adopted October 9, 1942, Amended September 16, 1943)

(a) Wage adjustments made by employers who, at the time the adjustment is agreed to, or if not made by agreement, by the time it is placed into effect, employ a total of not more than eight individuals in all their plants or units, are exempted from the provisions of Executive Order 9250 of October 3, 1942, and Executive Order No. 9328 of April 8, 1943.

(b) Unless expressly extended, the exemption granted by this order shall not apply to employers whose employees' wages, hours, or working conditions have been established or negotiated on an industry, association, area, or other similar basis, by a master contract, or similar or identical contracts.

(c) The exemption granted by this order shall not apply to an employer who, during any given year following October 3, 1942, in the case of wages, or October 27, 1942, in the case of salaries, has made adjustments affecting eight specific employees.

(d) The Regional War Labor Boards may recommend to the National War Labor Board such exceptions to the provisions of this order as are necessary to effectuate the wage stabilization policies of the National War Labor Board, which exceptions, if approved by the National War Labor Board, shall, unless otherwise specified, apply only within the territorial jurisdiction of the Regional Board recommending them.

### Extensions of General Order No. 4

The National War Labor Board has, under paragraph (b) of General Order No. 4, approved the extension of the exemption provided for in paragraph (a) of the order to:

- (1) Employees of barber shops (May 19, 1943).
- (2) Employees of beauty shops and the like (May 28, 1943).

### Exceptions to General Order No. 4

The National War Labor Board has, under paragraph (d) of General Order No. 4, approved the following exceptions to the exemption provided for in paragraph (a) of the order:

- (1) Tool and die industry (Approved as General Order 4-A October 23, 1942).
- (2) Shoe repair industry in California (Approved April 10, 1943).
- (3) Tool and die industry in Region I (Approved May 31, 1943).
- (4) Logging, sawmill, and planing mill operations in California, Oregon, Washington, Idaho, or Western Montana (Approved June 26, 1943).
- (5) Dental technicians, garage employees, and seed industry workers in Region XII (Approved August 3, 1943).
- (6) Cotton-ginning employees in Region VIII (Approved August 17, 1943).
- (7) Hotel and restaurant industry in Region X (Approved October 2, 1943).

(8) Retail coal distributors in Denver Labor Market Area (Approved October 29, 1943).

(9) Photo engravers (Approved November 13, 1943).

(10) Schiffli embroidery industry in Region II (Approved November 13, 1943).

(11) Grocery stores and meat markets in Denver Labor Market Area (Approved November 13, 1943). (Approved Oct. 17, 1944.)

(12) Operators in the lumber and pulp industry in Region I. (Approved January 8, 1944.)

(13) Retail lumber establishments in Regions VI, VII, VIII, IX, and XII. (Approved January 17, 1944.)

(14) Retail butcher shops in Louisville, Ky., area, whether exclusively or in conjunction with or as a part of some other retail business. (Approved February 5, 1944.)

(15) Employers engaged in the business of window cleaning in the Greater Cleveland Area. (Approved February 8, 1944.)

(16) Employers in the rig building branch of the petroleum industry in the area where uniform brackets have been set. (27 states in Mid-Continent Area, in Regions IV-IX and XI, inclusive.) (Approved March 3, 1944.)

(17) All employers in Cuyahoga County, Ohio, who are engaged in the business of repairing and/or rebuilding gasoline operated motor vehicles and/or trailers, both bodies and chassis, for others. (Approved March 21, 1944.)

(18) All employees engaged in the automotive repair industry, in the Tenth Region of the National War Labor Board, embracing the States of California, Nevada, and Arizona, other than gasoline stations, tire and vulcanizing services. (Approved April 25, 1944.)

(19) All employers engaged in the manufacture of jewelry in Region II of the National War Labor Board, embracing the State of New York and the northern counties of New Jersey (Sussex, Passaic, Bergen, Warren, Morris, Essex, Hudson, Union, Middlesex, Somerset, Monmouth, and Hunterdon). (Approved May 10, 1944.)

(20) The jewelry industry in Albuquerque, N. Mex. (Approved May 10, 1944.)

(21) Logging and sawmilling operations in the lumber industry in Region IX of the National War Labor Board, embracing the States of Colorado, New Mexico, Montana, Wyoming, Utah, and Idaho. (Approved May 10, 1944.)

(22) Pattern makers in the metropolitan areas of Portland, Oreg., and Seattle and Spokane, Wash. (Approved April 27, 1944.)

(23) Machine shop workers in the metropolitan areas of Portland, Seattle, Spokane, Bellingham, Everett, and the Willamette Valley in Region XII of the National War Labor Board. (Approved April 27, 1944.)

(24) Truck drivers, shoe repair, radio repair, and watch repair shops, radio broadcasting stations, dry cleaning establishments, restaurants, wholesale and retail distribution establishments, and clerical workers in Region XII of the National War Labor Board, embracing the States of Washington and Oregon. (Approved April 27, 1944.)

(25) Hotels in Region XII of the National War Labor Board, embracing the States of Washington and Oregon. (Approved May 16, 1944.)

(26) Employers engaged in the packing and shipping of potatoes in the State of Maine. (Approved May 30, 1944.)

(27) All employers in the Territory of Hawaii. (Approved June 3, 1944.)

(28) Firms in the automotive repair and tire industry in Region X of the National War Labor Board, embracing the States of California, Nevada, and Arizona. For the purposes of this subsection, the automotive and tire repair industry is defined as comprising those firms who regularly employ an individual, or individuals, to perform any or all of the following functions for the general public: the repairing of damaged automobile or truck fenders and bodies to restore their original shape and smoothness or surface by hammering out and filling dents, and by welding breaks in the metal; the disassembling and overhauling of automobile, or truck engines, transmissions, clutches, rear ends, the grinding of valves, and the aligning of wheels, or the retreading and recapping of automobile or truck tires. The foregoing definitions shall include any firm employing a body and fender repairman, metal man, assembler, automotive electrician, body builder, brake specialist, combination man, front-end man, frame and axle man, automotive machinist, automotive mechanic or truck mechanic who performs any or all of the aforementioned functions. Establishments exclusively engaged in the servicing of automobiles and trucks, filling tanks with gasoline, greasing, lubricating, washing, etc., shall not be included in this definition, provided that they employ no person who performs any of the functions included above in the industry. (Approved July 4, 1944.)

(29) Jewelry stores and watch repair establishments in Region IX, embracing the States of Colorado, Montana, New Mexico, Wyoming, Utah, and Idaho. (Approved July 11, 1944.)

(30) Jewelry industry in Region X. For the purposes of this subsection, the jewelry industry is defined as follows: 1. Manufacturing jewelers and trade shops: Establishments engaged in the manufacture of jewelry for the purpose of resale and establishments engaged in providing for the retail jewelry trade in services of special order manufacturing, engraving, jewelry repair, and watch and clock repair. (2) Retail jewelry: Establishments engaged in selling at retail any combination of the lines of jewelry such as diamonds and other precious stones mounted in precious metals as rings, bracelets, brooches, sterling and plated silverware, and watches and clocks. (Approved July 11, 1944.)

(31) All contractors in the building and construction industry in the United States. (Approved July 7, 1944.)

(32) Automotive repair industry in Region IX of the National War Labor Board, comprising the States of Colorado, New Mexico, Montana, Wyoming, Utah, and Idaho. (Approved August 8, 1944.)

(33) Employers engaged primarily in the distribution and recapping or retreading of tires within the jurisdiction of Region II of the National War Labor Board, comprising the State of New York and the following counties in New Jersey: Sussex, Passaic, Bergen, Warren, Norris, Monmouth, Essex, Hudson, Union, Middlesex, Somerset, and Hunterdon. (Approved August 8, 1944.)

(34) The painting and decorating industry in Los Angeles County, Calif., of Region X. For the purposes of this subsection, the painting and decorating industry is defined as the painting and decorating

of interiors and exteriors of buildings or structures, commercial and industrial as well as housing, i. e., multiple dwellings and single units, and fences. (Approved August 8, 1944.) (Amended September 27, 1944.)

(35) Cleaning and dyeing plants in the Denver, Colorado, Metropolitan Area, consisting of the City and County of Denver, towns of Edgewater, Lakewood, Wheatbridge, and Arvada, located in Jefferson County; the towns of Brighton and Aurora, located in Adams County; that part of the town of Aurora located in Arapahoe County; and the town of Littleton, located in Arapahoe County. (Approved August 15, 1944.)

(36) All employers in the Territory of Alaska. (Approved September 28, 1943.)

(37) The custom tailoring industry in Los Angeles County, Calif., of Region X. For the purpose of this subsection this industry is to be defined as follows:

Establishments engaged in making and/or selling men's and women's clothing made to the individual measure and/or specifications of the customer, but not including those who produce their clothing by the methods commonly known as cut, make and trim. (Approved September 5, 1944.)

(38) Employers in commercial printing industry in Los Angeles and Orange County, and all valley communities east to and including San Bernardino and Riverside, Calif. (Approved September 5, 1944.)

(39) Cleaning and dyeing plants in the town of Englewood, Colo. (Approved September 19, 1944.)

(40) Employers engaged in the manufacture of precious jewelry in the Philadelphia, Pa., area. For the purpose of this subsection this industry is defined as follows:

Establishments primarily engaged in manufacturing from precious metals with or without precious stones, jewelry and other articles to be worn on or to be carried about the person, such as cigarette cases and lighters, vanity cases, and compacts; trimmings for umbrellas, canes, etc.; and jewel settings and mountings. (Manufacturers of costume jewelry, watches, and clocks are not included in the foregoing.) (Approved September 19, 1944.)

(41) All employers in the upholstery industry in the city and County of San Diego, Calif. For the purposes of this paragraph this industry is defined as follows:

The manufacturing, repairing, recovering, remodeling, and renovation of all kinds and types of upholstered furniture. (Approved September 27, 1944.)

(42) All pharmacists in Region IX of the National War Labor Board comprising the States of Colorado, New Mexico, Montana, Wyoming, Utah, and Idaho. (Approved September 27, 1944.)

(43) All employers of laboratory technicians, pharmacists, anesthetists, nurses, X-ray technicians, and physical therapists in Region X. (Approved October 6, 1944.)

(44) All manufacturers of cigars in York, Adams, Cumberland, Dauphin, Lebanon, and Lancaster Counties, in Pennsylvania; Frederick, Carroll, Baltimore, and Harford Counties in Maryland. (Approved October 17, 1944.)

(45) Dry cleaners and launderers in the Wichita, Kans., area in Region VII. (Approved October 26, 1944.)

(46) Dry-cleaning industry in the Niagara frontier area in Region II. (Approved October 28, 1944.)

(47) All employers in Dade County, Fla., including the Miami, Fla., area, with the exception of employers of domestic servants in private homes. In connection with this exception the Board also adopted the following resolution:

That no employee presently in the service of an employer in the Miami, Fla., area, heretofore exempt under General Order No. 4, shall have this compensation reduced by reason of this action so long as he remains in the service of that employer. New employees of any such employers, shall be hired in either (1) at the rates the employer had in effect, October 3, 1942, in respect to wages, or October 27, 1942, in respect to salaries; or (2) at the rates properly adjusted, where no approval is required, under the appropriate General Orders of the National War Labor Board; or (3) at the rates approved for the particular employer by the Fourth Regional War Labor Board on Form 10 application.

That, regardless of whether the particular employer has or has not been exempt under General Order No. 4, the approvable wage rate for common labor, in the Miami, Fla., Area, in the mercantile, distribution, service, manufacturing, processing, laundry, dry cleaning, pressing, hotel and restaurant industries (except in bars, night clubs, or other places of entertainment) shall be 55 cents an hour; in all other industries, 50 cents an hour. (Approved November 11, 1944.)

#### **Other Exemptions Permitted Under General Order No. 4**

The exemption granted under paragraph (a) of General Order No. 4 shall apply also:

(a) to any country grain elevator establishment at which not more than 8 individuals are employed even if the employer in all his plants or units employs a total of more than 8 individuals. (Approved October 26, 1943.)

Q. 1. As of what time is it to be determined whether an employer comes within the exemption of General Order No. 4?

A. If more than eight individuals are employed either when the adjustment is agreed upon, or when it takes effect, the exemption may not properly be claimed.

Q. 2. Does an increase granted by an employer without Board approval under the exemption contained in General Order No. 4 justify a request for price relief?

A. No. If the increase is to be made the basis for a price increase or is to be used to resist an otherwise justifiable reduction in price ceilings, formal application for approval must be made.

Q. 3. Does the exemption under General Order No. 4 apply where the proposed wage adjustment affects less than 8 employees, but the company employs a total of more than that number?

A. No.

Q. 4. Are employees whose adjustments are subject to the control of the War Food Administrator or the Commissioner of Internal Revenue to be included in determining the number of employees for the purpose of applying General Order No. 4?

A. Yes.

Q. 5. Are directors of a corporation, who do not participate in the routine of the business and who receive a nominal fee but no regular remuneration, to be considered employees under General Order No. 4?

A. No.

Q. 6. In the case of a partnership, are the partners to be included in determining the number of employees for the purpose of applying General Order No. 4?

A. No.

Q. 7. Is an employee who is the wife or husband of, or otherwise related to the owner of the business, to be included in computing the number of employees?

A. Yes, if he or she participates in the daily routine of the business and receives wages or a salary therefrom.

Q. 8. If a bank, trust company, or real estate company administers several parcels of property, each of which has a separate owner and each of which employs 8 or fewer employees, does the fact that the total number of employees for all the properties exceeds 8 make the General Order inapplicable to each parcel?

A. No. Each separate owner is considered a separate employer, even though one central bank, trust company, or real estate company may administer all the properties.

Q. 9. If a corporation or individual owns and operates separate chain units or establishments in each of which 8 or fewer persons are employed but the total employees for all establishments is more than 8, are wage and salary adjustments for such employees exempt under the General Order?

A. No.

Q. 10. If an individual employer employs less than 8 persons in his home, and in each of a number of separate unrelated and independent businesses, but the total number of all employees exceeds eight, may he claim the exemption of the General Order for each business, and for his home?

A. Yes, unless there is evidence that the separate businesses have been established to evade the provisions of the wage stabilization program.

Q. 11. May an officer or majority stockholder of a corporation, who maintains a similar but separate business employing less than eight persons, claim the exemption of the General Order?

A. Yes, provided there is no evidence of intent to evade the provisions of the wage stabilization program.

Q. 12. Are employers of more than 8 employees, only 8 or fewer of which employees perform services within the continental United States, Alaska, and Hawaii, required to seek approval of wage and salary adjustments for the employees in the United States?

A. No. (The wage stabilization program presently applies only to the continental United States, Alaska, and Hawaii).

Q. 13. Is an employer exempt under General Order No. 4 who, while setting up a new establishment, employs 8 or fewer employees, if he

contemplates employing more than 8 persons when the establishment is operating at normal capacity?

A. No.

Q. 14. May an employer who has granted wage increases under the exemption of General Order No. 4, use the increased rate in hiring new employees in accordance with General Order No. 6?

A. Yes.

Q. 15. Does the General Order apply to an employer of less than 8 persons one or more of whom is covered by an industry-wide agreement?

A. Yes, but the General Order applies only to those employees who are not covered by the industry-wide agreement.

Q. 16. If an employer of less than 8 employees has customarily followed the terms of a master agreement, but is not a party to or bound by the agreement, is he within the exemption of the General Order?

A. Yes.

Q. 17. Where wage rates have been negotiated by a union and the representatives of industry in a given area and a new employer enters into business in the area and signs a contract with the union, is the approval of the Board required before the contract rates may be made effective, if he employs 8 or less employees?

A. Yes. (See also General Order No. 6).

Q. 18. Does the fact that a union representing employees of a number of small retail stores, each employing 8 or fewer persons, negotiates contracts with similar provisions with each store, deprive the separate employers of the exemption of the General Order?

A. No, if the union was not dealing for all the employees as a group, or if the wage rates were not negotiated or established on an industry, association, area or other similar basis.

Q. 19. An employer of 8 persons adjusts the wage rates for 8 specific employees and then, due to labor turnover, two of the jobs are filled by new employees, the total remaining 8. May he make adjustments in the wages of the new employees under General Order No. 4 without approval?

A. No, except as may be permitted by other General Orders of the Board. Section (c) of General Order No. 4 limits the number of wage and salary adjustments which may be made without Board approval to those granted to 8 specific employees during any given year.

## GENERAL ORDER NO. 5

(Adopted October 14, 1942, Amended May 26, 1943)

Subject to the requirements of General Order No. 31, wage adjustments may be made in wage rates of individual employees, without approval of the National War Labor Board, if they are incident to the application of the terms of a wage agreement which existed previous to or has been approved since October 3, 1942, or incident to an established or approved wage rate schedule covering the work assignments of employees and are made as result of:

- (a) Individual promotions or reclassifications.
- (b) Individual merit increases within established rate ranges.

(c) Operation of an established plan of wage increases based upon length of service within established rate ranges.

(d) Increased productivity under piece-work or incentive plans.

(e) Operation of an apprentice or trainee system.

Wage adjustments made under this Order shall not result in any appreciable increase of the level of production costs and shall not furnish a basis either to increase prices or to resist otherwise justifiable reductions in prices.

### Interpretation No. 1 to General Order No. 5

(Adopted October 20, 1942)

The fixing of a piece-rate which was theretofore set only tentatively for trial purposes, and the re-setting of a piece-rate which was found to have been set in the first instance so as to yield less than the regularly established or normal amount prevailing in the plant for that type of job, are each "wage adjustments . . . incident to the application of the terms of an established wage agreement or to established wage rate schedules" within the meaning of General Order No. 5, and may therefore be made without approval of the National War Labor Board.

(See Questions and Answers under General Orders No. 31)

### GENERAL ORDER NO. 6

(As Amended June 27, 1944)

(a) The hiring of an individual at a wage or salary rate in excess of the rate properly established in the plant for employees of similar skill and productive ability within the classification in which the individual is employed is an increase in wages or salary within the meaning of Executive Order No. 9250, and the Regulations of the Director of Economic Stabilization, and requires the approval of the National War Labor Board.

(b) The hiring of an individual at a wage or salary rate lower than the rate or the minimum of the range of rates properly established in the plant for the job classification in which the individual is employed is a decrease in wages or salary within the meaning of Executive Order No. 9250, and the Regulations of the Director of Economic Stabilization, and requires the approval of the National War Labor Board.

(c) If a wage or salary rate or range of rates for a job classification has not theretofore been established by the employer for the plant involved, the rate or range of rates may be established without the approval of the National War Labor Board if it bears the same relation to the rates or ranges of rates for similar classifications in the area as the existing rates or ranges of rates in the plant bear to comparable rates or ranges of rates in the area; provided, however, that rates or rate ranges covering new plants or new departments within existing plants must be submitted to the National War Labor Board for approval.

Q. 1. If a wage or salary rate for a job classification has not heretofore been established by the employer for the plant involved, may the employer without approval fix either a specific rate or a rate range for the job?

A. Yes, provided the criteria set forth in General Order No. 6 for the creation of rates or rate ranges for new job classifications are followed.

Q. 2. Where, prior to October 3, 1942, terms and conditions of employment have been negotiated by a union and the representatives of an industry in a given area, and a new employer enters into business in the area after October 3, 1942, is the approval of the Board required before he may pay the rates set forth in the contract?

A. Yes. Rates or rate ranges for new establishments must be submitted for approval.

Q. 3. Must approval be obtained for each new piece rate established and made applicable to different articles manufactured by the same employer?

A. Piece rates may be fixed without Board approval for the manufacture of a particular commodity if they are established so as to yield the normal amount prevailing in the plant for the character of the operation.

Q. 4. May the purchaser of a business make adjustments in the wages or salaries of the employees at the time of sale without approval?

A. No.

### GENERAL ORDER NO. 7

(Adopted October 28, 1942, Amended August 2, 1943)

Since Title VI, Section 1 of Executive Order No. 9250, dated October 3, 1942, states that "nothing in this Order shall be construed as affecting the present operation of the Fair Labor Standards Act," and since statutes and orders of the duly constituted authorities of the several states fixing minimum rates for certain types of workers carry out the true purposes and intent of the Fair Labor Standards Act, and are designed and intended to eliminate substandards of living within the meaning of Section 2 of Title II of Executive Order No. 9250, the National War Labor Board hereby approves increases in wage and salary rates made in compliance with such statutes and orders, provided, however, that if any changes in such statutes or orders are made or promulgated after April 8, 1943, increases directed thereby which would result in a wage or salary rate in excess of 50 cents per hour, may not be made without the approval of the Board.

Q. 1. Where an employee has been hired for a stipulated weekly salary without any limitation on the number of hours to be worked, may the employer commence paying overtime without the approval of the Board?

A. No, unless overtime payments are required by a Federal or State law.

Q. 2. Where an employee is paid for a forty-hour week, with a provision that overtime be paid for all hours over forty, but with no provision that there be any reduction if less than forty hours per week are worked, may the amount of salary be reduced for any week in which less than forty hours are worked, without Board approval?

A. No.

Q. 3. Where a work week is extended by order of the War Manpower Commission, or Executive order, from 40 to 48 hours, is Board approval required for the payment of time and one-half for the additional 8 hours?

A. Yes, unless these overtime payments are required by a Federal or State law, or it has been the custom or practice or agreement of the employer to pay overtime at this rate.

Q. 4. May an employer, in increasing the length of the workweek of salaried employees, increase the salaries of these employees without approval?

A. Yes, if the new work schedule is increased beyond the number of hours covered by the original salary, the employees may be paid straight time for the additional hours worked.

Q. 5. May an employer, without Board approval, reduce the hours worked each week by his employees and at the same time increase the wage rates of his employees so that they will receive the same weekly take-home?

A. No.

Q. 6. If a company receives a contract from the government which requires the payment of a minimum rate for a certain occupation which is in excess of the rate theretofore paid by the company, is it necessary for the company to obtain approval of the increase prior to putting it into effect?

A. No approval is required for the increase if the government contract contains a stipulation with respect to minimum wage rates which is required by a federal statute. Adjustments made to effect compliance with federal statutes do not require Board approval. Upon the expiration of the contract, however, the employer may not without approval pay more than the old rate, except as otherwise provided in the General Orders.

Q. 7. May an employer, after October 3, 1942, without Board approval, institute the practice of paying time and one-half for hours worked over 40 per week, if such premium pay is not required by the Fair Labor Standards Act or equivalent State law?

A. No.

Q. 8. If, prior to October 3, 1942, time and one-half was paid for work performed on Saturday, as such, may an employer institute the payment of time and one-half for work performed on the sixth day worked in the workweek, as permitted by Executive Order 9240, without Board approval?

A. Yes.

### GENERAL ORDER NO. 8

(Adopted October 28, 1942, Amended June 3, 1944)

Exercising the authority vested in the National War Labor Board by Section 4001.19 of Part 4001, Regulations Relating to Wages and

Salaries, issued on October 27, 1942, as amended, by the Economic Stabilization Director and approved by the President, and deeming it necessary for the effective administration of the Act of Congress of October 2, 1942, the Board hereby determines that adjustments in any wages or salaries over which this Board has jurisdiction and which are paid in any territory or possession of the United States, except Alaska and the Territory of Hawaii, are exempted from the operation of the said Regulations and therefore may be made without the approval of the Board.

Q. 1. May an employer with offices within the continental limits of the United States make adjustments in the compensation of employees employed in United States territorial possessions, other than Alaska, and Hawaii, without Board approval?

A. Yes.

### GENERAL ORDER NO. 9

(Adopted October 30, 1942, Amended May 26, 1943)

#### I. JURISDICTION OF THE NATIONAL WAR LABOR BOARD

Section 4001.2 of Part 4001 "Regulations Relating to Wages and Salaries," issued on October 27, 1942, by the Economic Stabilization Director and approved by the President provides in part that the National War Labor Board "shall have authority to determine whether any . . . salary payments to an employee totaling in amount not in excess of \$5,000 per annum where such employee

(a) in his relations with his employer is represented by a duly recognized or certified labor organization, or

(b) is not employed in a bona fide executive, administrative or professional capacity

are made in contravention of the Act of Congress of October 2, 1942, or any rulings, orders or regulations promulgated thereunder."

Section 4001.6 of said Regulations provides that "in the case of a salary rate of \$5,000 or less per annum existing on the date of the approval of these regulations by the President" (namely, October 27, 1942) no increase shall be made without the prior approval of the Board.

The Board hereby defines what is meant by "employed in a bona fide executive, administrative or professional capacity".\*

#### Executive

The term "employed in a bona fide executive capacity" shall mean any employee—

(A) whose primary duty consists of the management of the establishment in which he is employed or of a customarily recognized department or subdivision thereof, and

\*For the convenience of employers and employees who have been accustomed to the practices prevailing under the Fair Labor Standards Act, these definitions have been taken from the regulations promulgated by the Wage & Hour Administrator, pursuant to Section 13 (a) (1) of the Fair Labor Standards Act of 1938 (52 Stat. 1060), but no provisions of that Act or of any regulations issued thereunder are in any way applicable to the regulations and orders of the National War Labor Board.

(B) who customarily and regularly directs the work of other employees therein, and

(C) who has the authority to hire or fire other employees or whose suggestions and recommendations as to the hiring or firing and as to the advancement and promotion or any other change of status of other employees will be given particular weight, and

(D) who customarily and regularly exercises discretionary powers, and

(E) who is compensated for his services on a salary basis at not less than \$30 per week (exclusive of board, lodging, or other facilities), and

(F) whose hours of work of the same nature as that performed by employees not employed in an executive, administrative or professional capacity do not exceed 20 percent of the number of hours worked in the workweek by the employees under his direction, provided that this subsection (F) shall not apply in the case of an employee who is in sole charge of independent establishment or a physically separated branch establishment.

#### **Administrative**

The term "employed in a bona fide administrative capacity" shall mean any employee—

(A) who is compensated for his services on a salary or fee basis at a rate of not less than \$200 per month (exclusive of board, lodging, or other facilities), and

(B) (1) who regularly and directly assists an employee employed in a bona fide executive or administrative capacity (as such terms are defined in these regulations), where such assistance is nonmanual in nature and requires the exercise of discretion and independent judgment; or

(2) who performs under only general supervision, responsible non-manual office or field work, directly related to management policies or general business operations, along specialized or technical lines requiring special training, experience, or knowledge, and which requires the exercise of discretion and independent judgment; or

(3) whose work involves the execution under only general supervision of special nonmanual assignments and tasks directly related to management policies or general business operations involving the exercise of discretion and independent judgment; or

(4) who is engaged in transporting goods or passengers for hire and who performs, under only general supervision, responsible outside work of a specialized or technical nature requiring special training, experience, or knowledge, and whose duties require the exercise of discretion and independent judgment.

#### **Professional**

The term "employed in a bona fide professional capacity" shall mean any employee who is—

(A) engaged in work—

(1) predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical or physical work, and

(2) requiring the consistent exercise of discretion and judgment in its performance, and

(3) of such character that the output produced or the result accomplished cannot be standardized in relation to a given period of time, and

(4) whose hours of work of the same nature as that performed by employees not employed in an executive, administrative or professional capacity do not exceed 20 percent of the hours worked in the workweek by such employees; provided that where such non-professional work is an essential part of and necessarily incident to work of a professional nature, this subsection (4) shall not apply, and

(5) (a) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study, as distinguished from a general academic education and from an apprenticeship, and from training in the performance of routine mental, manual, or physical processes; or

(b) predominantly original and creative in character in a recognized field of artistic endeavor as opposed to work which can be produced by a person endowed with general manual or intellectual ability and training, and the result of which depends primarily on the invention, imagination, or talent of the employee, and

(B) compensated for his services on a salary or fee basis at a rate of not less than \$200 per month (exclusive of board, lodging, or other facilities); provided that this subsection (B) shall not apply in the case of an employee who is the holder of a valid license or certificate permitting the practice of law or medicine or any of their branches and who is actually engaged in the practice thereof.

## **II. EFFECTIVE DATE OF THE BOARD'S JURISDICTION**

Pursuant to Section 4001.6 of the said Regulations, increases in salaries which by written agreement executed on or before October 27, 1942, or by formal action communicated to the employees, on or before October 27, 1942, were made applicable to work done prior to October 27, 1942, do not come within the jurisdiction of the Board, notwithstanding such increases are first reflected in a payroll subsequent to October 27, 1942.

## **III. SALARY INCREASES WHICH DO NOT REQUIRE BOARD APPROVAL**

Subject to the requirements of General Order No. 31, salary adjustments may be made in salary rates of individual employees over which the Board has jurisdiction without the approval of the Board, if they are incident to the application of the terms of a salary agreement which existed previous to or has been approved since October 27, 1942, or incident to an established or approved salary rate schedule and are made as a result of:

- (a) individual promotions or reclassifications
- (b) individual merit increases within established rate ranges
- (c) operation of an established plan of salary increases based on length of service within established rate ranges
- (d) increased productivity under incentive plans
- (e) operation of an apprentice or trainee system, or

(f) such other reasons, or circumstances as may be prescribed in orders, rulings, or regulations, promulgated under the authority of these regulations.

Salary adjustments made under this order shall not result in any appreciable increase of the level of production costs and shall not furnish a basis either to increase prices or to resist otherwise justifiable reductions in prices.

#### IV. EXEMPT EMPLOYERS

Pursuant to Section 4001.11 of the said Regulations salary adjustments made by employers who employ not more than eight individuals are exempted from the provisions of Sections 4001.6, 4001.7 and 4001.8 of the said Regulations and may therefore be made without the approval of the National War Labor Board.

#### V. STATUTORY SALARIES AND WAGES

The said Regulations, pursuant to Section 4001.13 thereof, are not applicable to any salary or wages paid by the United States, any state or political subdivision thereof, the District of Columbia, or any agency or instrumentality of any one or more of the foregoing where the amount of such salary or wages is fixed by statute. Adjustment in such salaries or wages may therefore be made without the approval of the National War Labor Board.

#### VI. DECREASES IN SALARIES OF LESS THAN \$5,000 OVER WHICH THE NATIONAL WAR LABOR BOARD HAS JURISDICTION AS DEFINED IN SECTION I OF THIS ORDER

Pursuant to Section 4001.7 of the said Regulations, no decrease in a salary rate paid to an employee for any particular work and over which the National War Labor Board has jurisdiction as defined in Section I of this Order, may be made by the employer below the highest salary rate paid for such work between January 1, 1942, and September 15, 1942, without the prior approval of the Board.

(See Questions and Answers Under General Order No. 31.)

#### GENERAL ORDER NO. 10

(Adopted November 6, 1942, Amended September 12, 1944)

(a) The payment to employees, whose wage or salary adjustments are subject to the jurisdiction of the National War Labor Board, of a bonus or gift paid to such employees in the past may be continued without the approval of the National War Labor Board provided that

- 1) If in a fixed amount, the total amount so paid to an employee during the current bonus year does not exceed the total so paid to an employee for like work during the preceding bonus year, or
- 2) if computed on a percentage, incentive or other similar basis, the rate and the method of computation are not changed in

the current bonus year so as to yield a greater amount than that in the preceding bonus year, but a greater amount when resulting from the same rate and method of computation may be paid.

(b) Notwithstanding the provisions of paragraph (a) hereof, an employer may pay to each of his employees, without the approval of the National War Labor Board, a Christmas or year-end bonus in an amount not exceeding the sum of twenty-five dollars.

(c) If an employee is regularly compensated on a commission or fixed percentage basis, a change in the rate or method of compensation constitutes a wage or salary adjustment which requires the approval of the National War Labor Board.

Q. 1. Would the failure to pay in the current bonus year (a) the "fixed amount" bonus paid to an employee in the preceding bonus year, or (b) a bonus computed on the same percentage or other basis as was used in the preceding bonus year, constitute a salary or wage reduction requiring Board approval?

A. If it has been the custom and practice for the payment of the bonus to lie within the exclusive discretion of the employer, the nonpayment of the bonus during the current bonus year would not be a wage or salary decrease, even though a bonus had been paid to these or similar employees doing like work during the preceding bonus year. If, on the other hand, the bonus was either by agreement or by custom and practice, considered to be an integral part of the employee's wage or salary, its nonpayment would be a decrease which requires approval, unless there were circumstances which, consistent with the agreement or the custom, justified the employer in withholding the bonus.

Q. 2. If increases authorized or approved under the wage stabilization program have been granted to employees during the current year, so that the employees' salaries now equal their former salary plus the bonus, must the bonus be continued?

A. If the bonus is an integral part of the employee's wages or salary, payment of such bonus must be continued regardless of any wage or salary increase, and may be discontinued only with Board approval.

Q. 3. May an employer who has regularly paid a bonus to his employees, discontinue the bonus as such and add the amount thereof to the wage or salary rates of his employees without Board approval?

A. No.

Q. 4. If, by using the same basis of computation in the current bonus year as was used in the preceding bonus year, a bonus different in amount from that paid during the preceding bonus year results, may such a different amount be paid without prior Board approval?

A. Yes, if in the current bonus year the bonus is computed on the same percentage or other basis as in the preceding bonus year, with no change in the rate or method of computation, Board approval is not required for the payment of the bonus, regardless of whether the current bonus is greater or less than that paid in the preceding bonus year.

Q. 5. A bonus has been customarily paid in the past but the amount thereof and the method of computation have been different for each

year; what bonus payment may be made without Board approval during the current bonus year?

A. The maximum bonus that may be paid during the current bonus year without Board approval is one in the same amount or calculated by the same method of computation as in the preceding bonus year.

Q. 6. If it has been the practice of an employer to pay a bonus based on a fixed percentage of the employee's earnings, or his profits, may he pay the same dollar amount that he paid to the employee during the preceding bonus year if the application of the same percentage yields a smaller amount?

A. Yes.

Q. 7. If an employer paid a smaller bonus in the year 1943 than he paid in 1942, may he pay the larger amount paid in 1942 for 1944?

A. No, unless the variation in amount is due to the fact that the bonus is paid on a percentage or other similar basis.

Q. 8. If an employer paid a bonus for the last six months of 1943, may he pay a similar bonus for the last six months of 1944, even though no payment was made for the first six months of 1944?

A. Yes, if a bonus was paid for a portion of the preceding bonus year it may be instituted for a portion of the current year even though no bonus was paid during the intervening period.

Q. 9. If an employer has in the past given a lump sum to a department head for distribution as a yearly bonus to the employees in his department may this practice be continued even though the amount received by the individual employee varies from year to year?

A. Yes, provided the total amount or the method of computation of the lump sum, and the basis of distribution to the individual employees, remain the same as in the preceding bonus year.

Q. 10. May an employer who desires this year to pay a bonus in the same net amount as that paid last year, without Board approval, pay the withholding tax or other increased taxes which have been imposed during the current year so as to enable the employees to receive the same net sum?

A. No. The payment of new withholding or other taxes by an employer constitutes a wage or salary increase.

Q. 11. If an employer has in the past given his employees a bonus of one week's earnings, and their workweek has been lengthened, may he give them a bonus based on the number of hours in the lengthened workweek?

A. Yes.

Q. 12. May an employer institute a special incentive or attendance bonus for his employees without Board approval?

A. No.

Q. 13. May a bonus be paid during the current year to a new employee who was not on the payroll during the preceding bonus year in an amount equal to that paid to the employees in the same or similar occupations?

A. Yes.

Q. 14. If it has been an employer's practice to pay a bonus based upon a percentage of his profits, but no bonus has been paid for 2 years for the reason that the employer made no profits, may the bonus be paid in the current year in which profits were made?

A. Yes, provided the method of computation remains the same.

Q. 15. If the bonus for the preceding bonus year was based on straight time earnings, may the employer pay a bonus based on the employees' wages including overtime earnings for the current bonus year without approval?

A. No.

### GENERAL ORDER NO. 10 (a)

(Adopted December 14, 1942)

A bonus payment made by an employer to an employee severing his employment for the immediate purpose of entering the armed forces of the United States does not require the approval of the National War Labor Board.

Q. 1. May an employer pay to his employees in the armed forces without Board approval all or part of their previous salaries.

A. Yes. Section 3 (f) of the Selective Service and Training Act has been interpreted as permitting an employer to pay to an employee who enters the armed forces the compensation the employee was receiving before induction, or any portion thereof, without the approval of the Board.

### GENERAL ORDER NO. 11

(Adopted November 6, 1942)

To prevent hardships resulting from innocent action in the period of transition following the issuance of Executive Order No. 9250, dated October 3, 1942, and pursuant to the authority vested in the National War Labor Board by that Executive order, it is hereby ordered that:

An employer who, on or prior to November 7, 1942, has in good faith given an increase in wages subject to the jurisdiction of the National War Labor Board without the prior approval of the National War Labor Board or exemption under its regulations may apply for approval of such increase on or before December 1, 1942. If satisfied that the employer made the increase in good faith and that the increase is consistent with Executive Order No. 9250, October 3, 1942, and should be approved, the National War Labor Board will make its approval retroactive to the date of the wage increase.

Except as herein provided, an increase which requires approval of the National War Labor Board must receive such approval before it is put into effect.

### GENERAL ORDER NO. 12-B

(Adopted May 25, 1943)

General Order No. 12-A adopted January 6, 1943, is hereby revoked, and in its stead there is adopted the Joint Statement of the National War Labor Board and the Commissioner of Internal Revenue, dated May 25, 1943, and set forth hereinafter.

# JOINT STATEMENT OF THE NATIONAL WAR LABOR BOARD AND THE COMMISSIONER OF INTERNAL REVENUE

(Dated May 25, 1943)

## Wage and Salary Adjustments by State, County, and Municipal Governments and Agencies Thereof

On November 12, 1942, and December 26, 1942, the National War Labor Board and the Commissioner of Internal Revenue issued joint statements with respect to the procedure to be followed in making adjustments in salaries and wages of state, county, municipal and other nonfederal governmental employees. It was stated that Congress in the Act of October 2, 1942, clearly intended that all employers and all employees would be covered by the national stabilization policy, and since millions of public employees are engaged in the same kind of work as private employees, the duty of public employers to conform to that policy is as plain as that of private employers. It was also stated that the Joint Committee on Salaries and Wages had been authorized to advise whether particular adjustments were in accordance with the national stabilization policy.

It is presumed that public employers will continue to cooperate as they have in the past and will not make adjustments in wages or salaries which would be in contravention of the national stabilization policy as expressed in Executive Order 9250 of October 3, 1942, and Executive Order 9328 of April 8, 1943, and the Economic Stabilization Director's policy directive of May 12, 1943. Adjustments will continue to be deemed approved without the necessity of filing certificates for the information of the Board or the Commissioner, and adjustments will neither be approved nor disapproved by the National War Labor Board or the Commissioner of Internal Revenue.

The Joint Committee on Salaries and Wages will continue to advise, when requested, as to the national stabilization policy. However, it should be understood that reliable advice relating to the national stabilization policy may also be obtained from the Regional War Labor Boards and the regional offices of the Bureau of Internal Revenue, as well as from the Commissioner of Internal Revenue in Washington and the National War Labor Board.

Q. 1. Are Federal employees covered by this General Order?

A. No. But Federal employees whose salaries are fixed by statute are excluded from the wage stabilization programs.

Q. 2. Do adjustments in the wages of employees of an independent contractor of a State or municipality require approval?

A. Yes, unless the wages of such employees are fixed by statute.

Q. 3. Does General Order 12-B apply to municipal employees employed in municipally owned proprietary businesses such as power plants or public transportation facilities?

A. Yes. The Order applies to all city employees whether engaged in the general and ordinary functions of municipal government or in municipally owned and operated proprietary business.

Q. 4. Does General Order 12-B apply to employees of state universities or teachers' colleges?

A. Yes.

## GENERAL ORDER NO. 13

(Adopted October 13, 1943)

General Order No. 13-A is hereby repealed. General Order No. 13 is hereby enacted as follows:

(A) Title III, Section 3 of Executive Order No. 9250 of October 3, 1942, provides: "The National War Labor Board shall permit . . . the Wage Adjustment Board for the Building Construction Industry . . . to continue to perform its functions . . . except insofar as any of them is inconsistent with the terms of this order." Pursuant thereto, the Wage Adjustment Board, constituted as hereinafter described, shall continue to perform the duty ascribed to it by Administrative Order No. 101, as amended, of the Secretary of Labor, and by the Wage Stabilization Agreement of May 22, 1942, between the Building and Construction Trades Department of the American Federation of Labor and several Government agencies, all in accordance with the further provisions of this order.

(B) The Wage Adjustment Board for the Building Construction Industry shall consist of nine members, of whom three shall represent labor, three shall represent industry, and three, including the chairman, shall represent the public.

(C) Applications for approval of revision of rates subject to the Wage Stabilization Agreement of May 22, 1942, which revision would otherwise require the approval of the National War Labor Board, shall be submitted for approval to the Wage Adjustment Board. In acting upon such applications, the Wage Adjustment Board shall be subject both to the provisions of the Wage Stabilization Agreement of May 22, 1942, and to the requirements of the national wage stabilization program, as set forth in paragraph F hereof.

(D) The Wage Adjustment Board for the Building Construction Industry shall, in addition to the powers set forth in paragraphs A and C hereof, have jurisdiction over labor disputes and voluntary wage or salary adjustments involving persons employed in the building construction industry (as hereinafter defined) who are not subject to the Wage Stabilization Agreement of May 22, 1942. The Wage Adjustment Board shall have power, subject to review by the National War Labor Board as provided in paragraph K, hereof (1) to hear and issue directive orders, in labor dispute cases, and (2) to make final rulings on voluntary wage and salary adjustments requiring the approval of the National War Labor Board.

(E) The jurisdiction of the Wage Adjustment Board hereunder shall, as heretofore, be limited to mechanics and laborers in the building and construction industry employed directly upon the site of the work.

(F) In the performance of its duties hereunder, the Wage Adjustment Board, in addition to all pertinent policies of the National War Labor Board and the Director of Economic Stabilization, heretofore or hereafter announced, shall conform to the following principles and to any modification thereof hereafter promulgated by the National War Labor Board:

1. **General considerations.** In acting upon revision of wage rates in dispute or voluntary cases, the Wage Adjustment Board is subject both to the provisions of the Wage Stabilization Agreement of May 22, 1942, and to the requirements of the national wage stabilization policy. Approvable adjustments in such rates must meet both sets of requirements.

2. **Sound and tested rates.** The provisions of the May 12, supplement to Executive Order No. 9328 with respect to "brackets of sound and tested going rates" are inapplicable to the Building Construction Industry.

3. **Little Steel.** The Little Steel formula, as heretofore defined by the National War Labor Board, shall be applied by the Wage Adjustment Board in the following manner:

(a) No employee or group of employees is entitled automatically to a Little Steel adjustment.

(b) Generally, employees enjoying relatively high rates of pay should receive a smaller percentage adjustment than those receiving lower rates of pay.

(c) In applying the Little Steel formula to the wage rates for a particular craft, some or all of the full 15% otherwise allowable should be withheld where allowance of the full amount would have an unstabilizing effect on wages in the industry or area. This limitation should be invoked when the wage rates of the employees involved are relatively high compared to the wage rates of other employees in related work, and when the formula is applied to individual occupational groups in the highest wage brackets.

(d) No adjustment may be made which is in excess of the amount allowable under the Little Steel formula notwithstanding that the final rate resulting is below an appropriate Davis-Bacon rate.

4. **Substandards.** The Wage Adjustment Board may approve adjustments which are "clearly necessary to correct substandards of living," in accordance with the provisions of Executive Order No. 9328 and the May 12 Supplement.

5. **Critical Needs of War Production.** In rare and unusual cases adjustments not permissible within the above principles, which are in the opinion of the Wage Adjustment Board, necessary to the critical needs of war production, shall be submitted through the National War Labor Board for the approval of the Economic Stabilization Director.

(G) In the handling of dispute cases, the Wage Adjustment Board shall comply with all appropriate provisions of the "Jurisdiction and Procedure of Regional War Labor Boards," of April 15, 1943, as amended, and with the "Rules for Conduct of Hearings Under the War Labor Disputes Act," and all other pertinent rules of procedure of the National War Labor Board that may be hereafter announced.

(H) In accordance with the requirements of Executive Orders No. 9250 and 9328 and the Supplement thereto of May 12, 1943, issued by the Director of Economic Stabilization, any wage or salary adjustment approved or ordered by the Wage Adjustment Board "which may furnish the basis either to increase price ceilings or to resist otherwise justifiable reductions in price ceilings," or, if no price ceilings are involved, which may increase the costs to the government of a product or service being furnished under a procurement contract,

shall become effective only if also approved by the Director of Economic Stabilization. Notice to this effect shall be contained in all rulings and orders requiring this approval which are issued by the Wage Adjustment Board.

(I) All applications for the revision or adjustment of wage rates within the jurisdiction of the Wage Adjustment Board shall be filed directly with the Wage Adjustment Board, Washington, D. C. Requests for the revision of wage rates subject to the Wage Stabilization Agreement of May 22, 1942, which are presented by local labor organizations affiliated with the Building and Construction Trades Department of the American Federation of Labor, shall be filed only with the approval of the international or national labor organization, and shall be submitted through and approved by the Building and Construction Trades Department of the American Federation of Labor.

(J) (1) All applications for the voluntary adjustment or revision of wage rates shall contain, or the Wage Adjustment Board shall, before acting on the application, procure, a statement by the employer as to whether the adjustment or revision if approved (a) may furnish the basis to increase price ceilings or (b) may furnish the basis for an application by the employer for an increase to the government in the price of any product or service. If the statement is in the affirmative as to (a), the Wage Adjustment Board shall send to the Office of Price Administration a copy of the application and a copy of its ruling at the time of issuance thereof. If the statement is in the affirmative as to (b) and an adjustment of the type that requires the approval of the Economic Stabilization Director is approved by the Wage Adjustment Board, the Wage Adjustment Board shall send to the appropriate procurement agency of the government a copy of its ruling at the time of issuance thereof.

(2) In any wage dispute case where it appears that the wage adjustment recommended or ordered may furnish the basis to increase price ceilings, the Wage Adjustment Board shall send to the Office of Price Administration a copy of the recommendation of its panel or hearing officer at the time of its transmittal to the parties and of its directive order when issued. In any wage dispute case where it appears that the wage adjustment ordered may furnish the basis for an application by the employer for an increase to the government in the price of any product or service and the adjustment is of the type that requires the approval of the Economic Stabilization Director, the Wage Adjustment Board shall send to the appropriate procurement agency of the government a copy of its directive order when issued.

(3) In all cases where the approval of the Director of Economic Stabilization is required, the Wage Adjustment Board shall, after its ruling or order is issued, send the case to the National War Labor Board for transmittal to the Director of Economic Stabilization. The Wage Adjustment Board shall, upon being notified, advise the parties of the action taken by the Office of Price Administration or by the Director of Economic Stabilization.

(K) All rulings of the Wage Adjustment Board on wage and salary adjustments, and all directive orders of the Wage Adjustment Board in dispute cases, shall have the same effect, and be subject to the same provisions for stay and review by the National War Labor Board, as rulings and orders of the Regional War Labor Boards, as set forth in

Section VII of the "Jurisdiction and Procedure of Regional War Labor Boards," as amended.

(L) The Wage Adjustment Board shall transmit regularly to the National War Labor Board copies of its decisions and rulings hereunder, which, when issued, shall be made available to the public, and such additional data and reports as the National War Labor Board may from time to time require.

Q. 1. A contractor in the building and construction industry accepts a job in an area where the wage rates which have been approved by the Wage Adjustment Board on an area-wide basis for the various crafts to be employed on the job are higher than the rates previously paid by the contractor on a job in another area. May he increase his wage rates to correspond to the approved rates without approval?

A. Yes.

Q. 2. A contractor taking a job in a new area has previously paid higher wage rates to his employees on a job in another area than the rates approved by the Wage Adjustment Board for the new area. Are the rates on the new job to be governed by his old rates or the rates approved by the Wage Adjustment Board?

A. The rates approved by the Wage Adjustment Board.

Q. 3. May a contractor in the building and construction industry, who establishes a new job classification, adopt the prevailing area rate for the new job classification without approval?

A. Yes, provided the rate is in line with his established rates for existing classifications as required by Paragraph (c), General Order No. 6.

### GENERAL ORDER NO. 14

(Adopted November 24, 1942, Amended August 17, 1943)

(A) The National War Labor Board hereby delegates to the Secretary of War, to be exercised on his behalf by the Wage Administration Section within the Industrial Personnel Division, Headquarters, Army Service Forces (hereinafter referred to as the "War Department Agency"), the power to rule upon all applications for wage and salary adjustments (insofar as approval thereof has been made a function of the National War Labor Board) covering civilian employees within the continental limits of the United States, employed by

(1) the War Department

(2) the Army Exchange Service, and

(3) government-owned, privately-operated facilities of the War Department all in accordance with the further provisions of this Order.

(B) There shall be a standing tripartite Appeals Committee, to consist of two representatives to be appointed by the War Department Agency and two representatives each of industry and labor to be appointed by the National War Labor Board. The Committee may have such assistants as the Board may designate. The Board hereby delegates to the Appeals Committee the power to pass upon appeals

from rulings by the War Department Agency under category A (3) above, and to perform such other duties as are hereinafter prescribed.

(C) In the performance of their respective duties the War Department Agency and the Appeals Committee shall comply with the terms of Executive Order No. 9250, dated October 3, 1942, Executive Order No. 9328, dated April 8, 1943, the Supplementary Directive of May 12, 1943, and all general orders and policies of the National War Labor Board announced thereunder.

Any wage or salary adjustment approved by the Agency "which may increase production costs above the level prevailing in comparable plants or establishments" shall become effective only if also approved by the Director of Economic Stabilization. Notice to this effect shall be contained in all rulings and orders issued by the War Department Agency in wage cases.

Applications for approval of voluntary wage adjustments within the jurisdiction of the War Department Agency shall state whether or not the adjustment if granted may increase production costs above the level prevailing in comparable plants or establishments. If the answer is in the affirmative, the War Department Agency shall send to the War Labor Board for processing to the Office of the Director of Economic Stabilization a copy of the application and a copy of its ruling at the time of issuance thereof, for approval as mentioned above.

The War Department Agency, without making an initial ruling thereon, may refer to the Board for decision by the Board any case which in the opinion of the Agency presents doubtful or disputed questions of sufficient seriousness and import to warrant direct action by the Board.

(D) The War Department Agency and the Appeals Committee shall transmit to the Wage Stabilization Division of the National War Labor Board copies of their respective rulings and rules of procedure as they are issued. In administering the provisions of this order the Agency shall also transmit monthly reports of its rulings to the Wage Stabilization Director of the National War Labor Board, and such additional data as said Division or the Board from time to time deem necessary.

(E) Any ruling by the War Department Agency hereunder shall be final, subject

(1) to the National War Labor Board's ultimate power to review rulings on its own initiative, and

(2) in cases under category A (3) above, to the right of any aggrieved party, within a period of fourteen days after the issuance of the ruling, to file an appeal with the Appeals Committee.

(F) Any ruling by the Appeals Committee hereunder shall be final, subject

(1) to the National War Labor Board's ultimate power to review rulings on its own initiative, and

(2) to the right of any aggrieved party, including the War Department, within a period of fourteen days after the issuance of the ruling, to petition the National War Labor Board for leave to appeal to the Board. The burden shall be upon the petitioner in such cases to show why the Board should be called upon to act.

(G) Any ruling by the War Department Agency hereunder shall be deemed to be the Act of the National War Labor Board unless and until reversed or modified by the Appeals Committee or by the Board.

(H) The term "government-owned, privately-operated facilities of the War Department" shall include for the purposes of this Order only those facilities (1) in which the War Department has contractual responsibility for the approval of pay roll costs, and (2) which are designated in lists furnished from time to time, to the Board by the War Department Agency. The Board may at any time, upon at least seven days notice to the War Department Agency, strike from the list any facility if the Board believes that the policies of Executive Order No. 9017, Executive Order No. 9250, Executive Order No. 9328 or the Supplementary Directive of May 12, 1943 will be furthered by the Board's acting directly upon the wage and salary adjustments of such facility.

(I) Where disputes about wages and salaries arise between the private operators of said facilities and their employees, the following procedure shall be followed. The dispute shall first be referred for negotiation to the U. S. Conciliation Service. If an agreement is reached, that portion of the agreement pertaining to wages shall be submitted to the War Department Agency for approval. If no agreement is reached, the dispute shall be referred for decision to the appropriate Regional Board, subject to the regular rules of procedure of the National War Labor Board. At the same time, the War Department Agency shall be notified of the dispute and the nature of the case. On its own initiative the Agency may request the Regional Board for any further information concerning the case. When a decision has been reached by the Regional Board, copies of the Board's decision shall be sent to the War Department Agency and the Wage Stabilization Director of the National War Labor Board at the same time that copies are sent to the parties in the dispute. Within the fourteen day period allowed for filing a petition for review, the War Department Agency may request a review of the case according to the rules of procedure, as amended, of the National War Labor Board.

Q. 1. What is a government-owned, privately-operated facility of the War Department?

A. The term is limited to those facilities which are designated in lists furnished from time to time to the Board by the War Department Agency.

Q. 2. If a contractor in a Government-owned, privately-operated facility of the War Department, desires to increase the rate of an employee but does not seek reimbursement from the War Department, does the adjustment nevertheless require approval?

A. Yes.

Q. 3. Are adjustments in wages and salaries of civilian employees of the War Department employed on vessels operating in transport, inter-coastal, and inter-island travel covered by this Order, or are such adjustments under the jurisdiction of the War Shipping Panel?

A. Such adjustments are covered by this order and are in the first instance under the jurisdiction of the War Department Wage Administration Agency.

## GENERAL ORDER NO. 15

(Adopted November 24, 1942, Amended October 14, 1943)

Where under the provisions of a bona fide collective agreement there has been established an impartial chairman, umpire or arbitrator whose duties include the fixing of rates for new jobs, his decisions so rendered need not be submitted for approval to the National War Labor Board, provided that:

(1) The rate or rate range for each new job shall be fixed in an amount which is directly related to and in balance with the established rates or rate ranges of the other jobs covered by the agreement, and shall bear the same relations to rates or rate ranges for similar classifications in the area as the rates or rate ranges set forth in the agreement bear to comparable rates or rate ranges in the area.

(2) A bi-weekly report of rates so fixed shall be transmitted to the Division of Review, Analysis and Research of the National War Labor Board together with sufficient information to establish the aforesaid relationship and balance.

(3) Such decisions shall be subject to the Board's ultimate power of review but any modification or reversal thereof will not be retroactive.

(4) The establishment of such rates should not result in any substantial increase of the level of costs and shall not furnish a basis either to increase price ceilings of the commodity or service involved or to resist otherwise justifiable reductions in such price ceilings.

Q. 1. May wage increases to correct intra-plant inequalities awarded by an arbitrator be placed in effect without Board approval?

A. No. All wage adjustments awarded by an arbitrator require Board approval unless the adjustment is permissible under one of the General Orders. General Order No. 15 refers only to a rate for a new classification. (See also General Order No. 6, to same effect).

## GENERAL ORDER NO. 16

(Adopted November 24, 1942, Amended January 3, 1944)

Adjustments which equalize the wage or salary rates paid to females with the rates paid to males for comparable quality and quantity of work on the same or similar operations, and adjustments in accordance with this policy which recognize or are based on differences in quality or quantity of work performed, may be made without approval of the National War Labor Board, provided that:

(1) Such adjustments shall be subject to the Board's ultimate power of review, but any modification or reversal thereof will not be retroactive;

(2) Such adjustments shall not furnish a basis either to increase price ceilings of the commodity or service involved or to resist otherwise justified reductions in such price ceilings.

**Interpretation No. 1 to General Order 16**

Wage adjustments required by State statutes which prohibit wage discrimination between the sexes are "adjustments which equalize the wage or salary rates paid to females with the rates paid to males for comparable quality and quantity of work on the same or similar operations" within the meaning of General Order No. 16, and may be made without approval of the National War Labor Board.

Q. 1. Must wage adjustments required by State statutes to equalize rates paid to women workers be reported to the Board?

A. No.

Q. 2. If the character of the job has been changed in order to permit it to be performed by women, may the wage rate for the job also be changed without approval?

A. Yes. The new job constitutes a new classification and a rate may be set in accordance with General Order No. 6.

Q. 3. If only women have been assigned to a particular job in the past, may their rate be increased without approval to equal the rate paid for similar jobs performed by men in the area without approval?

A. No.

**GENERAL ORDER NO. 17**

(Adopted November 27, 1942)

(a) The National War Labor Board authorizes the Office of Price Administration in establishing area pay scales for its local board clerks to apply in each area the appropriate area pay scale set forth in the instructions contained in its Field Administrative Letter No. 7, Revised, Supplement Number 1; provided, however, that before any such pay scale is made effective it must be certified by the Regional Director of the National War Labor Board that the pay scale appropriate to the area has been properly chosen in accordance with the provisions of said instructions.

(b) Upon approval by the Regional Director the new rates shall apply to all new appointments, promotions, demotions, transfers, and replacements, but they shall not be applied to reduce the rates of pay of present employees in their present positions.

(c) The Office of Price Administration shall file with the Board's appropriate Regional Office copies of any proposed changes in area pay scales, and shall supply any other information or reports the Board may require.

(d) The Regional Director is hereby authorized to approve such proposed changes in area pay scales, when so filed, unless he finds them inconsistent with Executive Order 9250 and the policies and orders of the National War Labor Board. His action on such proposed changes shall be subject to the review provided in the Board's "Procedures in Cases of Voluntary Applications for Wage Adjustments by Private Employers."

**GENERAL ORDER NO. 18**

(Adopted December 2, 1942, Amended August 27, 1943, and August 26, 1944)

(a) The National War Labor Board hereby delegates to the Secretary of the Navy, to be exercised in his behalf by the Office of the Assistant Secretary of the Navy (hereinafter referred to as "the Navy Department Agency") power to rule upon all applications for wage and salary adjustments (insofar as approval thereof has been made a function of the National War Labor Board), covering civilian employees within the continental limits of the United States, Alaska, and the Territory of Hawaii, employed directly by the Navy Department (but excluding persons employed in government owned, privately operated facilities of the Navy Department), all in accordance with the further provisions of this order.

(b) In the performance of its duties hereunder the Navy Department Agency shall comply with the terms of Executive Order No. 9250, dated October 3, 1942, Executive Order No. 9328, dated April 8, 1943, the Supplementary Directive of May 12, 1943, and all General Orders and policies of the National War Labor Board, announced thereunder.

Any wage or salary adjustment approved by the Agency "which may increase the production costs above the level prevailing in comparable plants or establishments" shall become effective only if also approved by the Director of Economic Stabilization. Notice to this effect shall be contained in all rulings issued by the Navy Department Agency hereunder.

Applications for approval of voluntary wage adjustments within the jurisdiction of the Navy Department Agency shall state whether or not the adjustment if approved may increase the production costs above the level prevailing in comparable plants or establishments. If the answer is in the affirmative, the Navy Department Agency shall send to the National War Labor Board for processing to the Office of the Director of Economic Stabilization a copy of the application and a copy of its ruling at the time of issuance thereof, for approval as mentioned above.

The Navy Department Agency, without making an initial ruling thereon, may refer to the National War Labor Board for decision, any case which in the opinion of the Agency presents doubtful or disputed questions of sufficient seriousness and import to warrant direct action by the Board.

(c) The Navy Department Agency shall, so far as is practicable, utilize the information and date of the National War Labor Board or the several Regional War Labor Boards in the determination of area rates in accordance with the wage brackets established by the Regional War Labor Boards.

(d) The Navy Department Agency shall transmit to the Wage Stabilization Division of the National War Labor Board copies of its rulings and rules of procedure, if any, and such additional data and reports as said Division or the Board may from time to time deem necessary.

(e) Any ruling by the Navy Department Agency or the Secretary of the Navy hereunder shall be final, subject to the National War Labor Board's ultimate power to review rulings on its own initiative.

(f) Any rulings by the Navy Department Agency or the Secretary of the Navy hereunder shall be deemed to be the Act of the National War Labor Board, unless and until reversed or modified by the Board. Any such order of reversal or modification shall allow a period of two-weeks from the date of the Board's order within which to comply with the order.

### GENERAL ORDER NO. 19

(Adopted December 8, 1942, Amended July 23, 1943,  
January 2, 1945)

(a) The Board of Governors of the Federal Reserve System and any of the twelve Federal Reserve Banks, which proposes to make adjustments in the salaries or wages of their employees not fixed by statute, which would otherwise require the prior approval of the National War Labor Board, may make such adjustment on certification to the Board that the adjustment is necessary to correct maladjustments or gross inequities, as permitted by the national wage and salary stabilization policy.

(b) A certificate by the official authorizing the adjustments, stating the nature and amount of such adjustment and briefly setting forth the facts meeting the foregoing requirement will be accepted by the Board as sufficient evidence of the propriety of the adjustment, subject to review by the Board. Modification by the Board of adjustments made pursuant hereto shall not be retroactive.

(c) In the case of adjustments made hereunder by any of the twelve Federal Reserve Banks, the certificate above mentioned shall, prior to transmittal to the Wage Stabilization Division of the National War Labor Board, be transmitted to and shall be subject to the approval of the Board of Governors of the Federal Reserve System.

(d) The certificate prescribed herein, together with four (4) copies thereof, shall be filed promptly with the Wage Stabilization Division of the National War Labor Board.

(e) The certification procedure shall not apply to any adjustment which would raise salaries or wages beyond the minimum non-inflationary going rates for similar occupational groups in the labor market area.

### GENERAL ORDER NO. 20

(Adopted December 8, 1942, Amended July 23, 1943,  
January 2, 1945)

(a) The United States Employment Service, or any of its state administrative offices which proposes to make adjustments in the salaries or wages of its employees not fixed by statute, which would otherwise require the prior approval of the National War Labor Board, may make such adjustment on certification to the Board that

the adjustment is necessary to correct maladjustments or gross inequities, as permitted by the national wage and salary stabilization policy.

(b) A certificate by the appropriate official of the United States Employment Service stating the nature and amount of such adjustment, and briefly setting forth the facts meeting the foregoing requirement, will be accepted by the Board as sufficient evidence of the propriety of the adjustment, subject to review by the Board. Modification by the Board of adjustments made by the United States Employment Service or one of its state administrative offices acting pursuant hereto shall not be retroactive.

(c) The certificate prescribed herein, together with four copies thereof, shall be filed promptly with the Wage Stabilization Division of the National War Labor Board.

(d) The certification procedure shall not apply to any adjustment which would raise salaries or wages beyond the minimum non-inflationary going rates for similar occupational groups in the labor market area.

### GENERAL ORDER NO. 21

(Adopted December 8, 1942)

(a) The National War Labor Board hereby delegates to the Secretary of the Interior, to be exercised on his behalf by the Special Adviser on Labor Relations to the Secretary of the Interior (hereinafter referred to as the Interior Department Agency), the power to approve or disapprove all applications for wage and salary adjustments (insofar as approval thereof has been made a function of the National War Labor Board) covering employees of the Interior Department within the continental limits of the United States and Alaska whose wages or salaries are not fixed by statute, all in accordance with the further provisions of this order.

(b) In the performance of its duties hereunder the Interior Department Agency shall comply with the terms of Executive Order 9250, dated October 3, 1942 and any other General Order or policy of the National War Labor Board heretofore or hereafter issued thereunder. The Interior Department Agency, without making an initial ruling thereon may refer to the Board, for decision by the Board, any case which in the opinion of the agency presents doubtful or disputed questions of sufficient seriousness and import to warrant direct action by the Board.

(c) The Interior Department Agency shall transmit to the Review and Analysis Division of the National War Labor Board copies of its rulings, and rules of procedure, if any, as they are issued, and such additional data and reports as said Division or the Board may from time to time deem necessary.

(d) Any ruling by the Interior Department Agency hereunder shall be deemed to be the act of the National War Labor Board and shall be final subject to the National War Labor Board's ultimate power to review rulings on its own initiative, and to reverse or modify the same. Any such order of reversal or modification shall not be retroactive and shall allow the Interior Department Agency a period of

two weeks from the date of the Board's order, within which to comply with the order.

(e) Nothing herein contained shall be construed as affecting the advisory duties and functions of the following Wage Boards heretofore constituted by the order of the Secretary of the Interior and any similar Boards so constituted in the future:

- (1) Boulder Canyon Project Wage Board.
- (2) Columbia Basin Project Wage Board.
- (3) Central Valley Project Wage Board.
- (4) Parker Dam Power Project Wage Board.
- (5) Boulder City Experiment Station Wage Board.

### GENERAL ORDER NO. 22

(Adopted December 8, 1942)

(a) No clause contained in any labor agreement, commonly known as an "escalator clause", relating to wages or salaries subject to the jurisdiction of the National War Labor Board, regardless of when the agreement was made, which provides for an adjustment in wage rates after October 3, 1942, or an adjustment in salary rates after October 27, 1942 because of changes in the cost of living, shall be enforced, where such adjustment would result in rates in excess of fifteen percent above the average straight time hourly rates or equivalent salary rates prevailing on January 1, 1941.

(b) Adjustments within the fifteen percent limit must be submitted for approval by the Board in the usual manner.

### GENERAL ORDER NO. 23

(Adopted December 18, 1942, Amended May 14, 1943)

(a) The Territory of Alaska is hereby made a part of Region XII of the National War Labor Board. Approval of voluntary applications for wage and salary adjustments and dispute cases arising within the Territory of Alaska shall be processed as hereinafter provided.

(b) The Territorial Representative of the Wage and Hour and Public Contracts Division of the United States Department of Labor shall receive all requests for rulings and applications for approval of voluntary wage and salary adjustments insofar as such matters are within the jurisdiction of the National War Labor Board.

(c) There is hereby created within the Territory of Alaska a Branch Office of the Regional War Labor Board for Region XII.

(d) There shall be appointed a Wage Stabilization Director within the Territory of Alaska, who shall exercise the same authority within the territory as that exercised by the Wage Stabilization Director in Region XII.

(e) There shall be appointed a Regional Attorney and Disputes Director within the Territory of Alaska, who shall exercise the same authority within the territory as that exercised by the Regional Attorney and Disputes Director in Region XII. As Disputes Director, he shall have authority to set up tripartite panels for hearings on

dispute cases, the recommendations of the panels to be sent to the Twelfth Regional Board for approval or disapproval.

(f) Any ruling of the Regional War Labor Board, Region XII, shall be final, subject to the National War Labor Board's ultimate power to review rulings on its own initiative. No action of the National War Labor Board with respect to rulings of said Regional War Labor Board shall be retroactive.

(g) Disputes arising in the Territory of Alaska shall, unless otherwise directed by the National War Labor Board, be referred to the Regional War Labor Board for Region XII.

(h) Jurisdiction and Procedure for Regional War Labor Boards shall be applicable to the Branch Office of the Regional War Labor Board for Region XII except that owing to difficulties of communication and transportation, time limitations may be relaxed in case of necessity.

### GENERAL ORDER NO. 24

(Adopted December 17, 1942)

(a) The National War Labor Board hereby delegates to the Secretary of Agriculture, to be exercised on his behalf by the Director of Personnel of the Department of Agriculture (hereafter referred to as Agriculture Department Agency), the power to approve or disapprove all applications for wage and salary adjustments (insofar as approval thereof has been made a function of the National War Labor Board) covering employees of the Department of Agriculture, and employees of instrumentalities of the Department of Agriculture, within the continental limits of the United States and Alaska whose wages and salaries are not fixed by statute, including

- (1) Employees and members of Agricultural Conservation Committee.
- (2) Employees under cooperative agreements.
- (3) Employees of agencies under supervision of the Farm Credit Administration, and
- (4) Persons engaged in the administration of marketing agreements, orders, and licenses

all in accordance with the further provisions of this order.

(b) In the performance of its duties hereunder, the Agriculture Department Agency shall comply with the terms of Executive Order 9250, dated October 3, 1942 and any General Order or policy of the National War Labor Board heretofore or hereafter issued thereunder. The Agriculture Department Agency, without making an initial ruling thereon, may refer to the Board, for decision by the Board, any case which, in the opinion of the Agency presents doubtful or disputed questions of sufficient seriousness and import to warrant direct action by the Board.

(c) The Agriculture Department Agency shall transmit to the Review and Analysis Division of the National War Labor Board monthly reports of its rulings, and copies of its rules of procedure, if any, as they are issued, and such additional data and reports as said Division or the Board may from time to time deem necessary.

(d) Any ruling by the Agriculture Department Agency hereunder shall be deemed to be the act of the National War Labor Board and shall be final, subject to the National War Labor Board's ultimate power to review rulings on its own initiative, and to reverse or modify the same. Any such order of reversal or modification shall not be retroactive and shall allow the Agriculture Department Agency a period of two weeks from the date of the Board's order, within which to comply with the order.

### GENERAL ORDER NO. 25A

(Adopted January 27, 1943, Amended October 14, 1943)

General Order No. 25, adopted on December 22, 1942, is hereby revoked. In its place, the following order is adopted:

(a) The National War Labor Board in accordance with the further provisions of this Order hereby delegates to the Board of Directors of the Tennessee Valley Authority the power to approve or disapprove all applications for adjustments of wages and salaries (insofar as approval thereof has been made a function of the National War Labor Board) of employees of the Tennessee Valley Authority; also applications to equalize the wages and salaries of laborers and mechanics while actually employed by contractors in performing contracts with the Tennessee Valley Authority within paragraph 2 of section 3 of the Tennessee Valley Authority Act, as amended, with the wages and salaries of like employees of the Tennessee Valley Authority.

(b) In the performance of its duties hereunder, the Board of Directors of the Tennessee Valley Authority shall comply with Executive Order 9250, dated October 3, 1942, Executive Order 9328, dated April 8, 1943, the Supplement thereto issued by the Director of Economic Stabilization on May 12, 1943, and all principles and policies of the National War Labor Board and the Director of Economic Stabilization heretofore or hereafter announced. In ruling on applications for adjustments of wages and salaries of laborers and mechanics employed by contractors, it shall approve them only if they fix the same wages and salaries for such employees as for the employees of the Tennessee Valley Authority performing like work. Disapproval of an application on the ground that it does not fix such equal wages and salaries shall not preclude applications through other channels of the National War Labor Board. The Board of Directors of the Tennessee Valley Authority, without making an initial ruling thereon, may refer to the National War Labor Board, for decision by the Board, any application which in its opinion presents doubtful or disputed questions of sufficient seriousness and import to warrant direct action by the Board.

(c) The Board of Directors of the Tennessee Valley Authority shall transmit to the Review and Research Division of the National War Labor Board copies of its rulings, and rules of procedure, if any, as they are issued, and such additional data and reports as said Division or the Board may from time to time deem necessary.

(d) Any ruling by the Board of Directors of the Tennessee Valley Authority hereunder shall be deemed the act of the National War Labor Board and shall be final subject to the National War Labor

Board's right to review rulings on its own motion and to reverse or modify the same. Any such reversal or modification shall not be retroactive and shall allow the Tennessee Valley Authority or the contractor, as the case may be, a period of two weeks for compliance.

### GENERAL ORDER NO. 26

(As Amended January 12, 1944)

(a) Organizations established as nonprofit community chest funds, foundations, or cemetery companies, and organizations operated without profit and exclusively for religious, charitable, scientific, literary, or educational purposes, which have been exempted from the payment of income and social security taxes (including nonprofit organizations which maintain and operate hospitals), shall be exempt from the necessity of filing applications for approval of wage and salary adjustments of their employees within the jurisdiction of the National War Labor Board.

(b) Such organizations will, nevertheless, be expected to observe and abide by the national wage and salary stabilization policy in making any adjustments in the wages or salaries of their employees.

(c) The Regional War Labor Boards may recommend to the National War Labor Board such exceptions to the provisions of this Order as are necessary to effectuate the wage and salary stabilization policies of the National War Labor Board, which exceptions, if approved by the National War Labor Board, shall, unless otherwise specified, apply only within the territorial jurisdiction of the Regional Board making the recommendation.

Q. 1. Are labor unions, trade associations, or chambers of commerce covered by General Order No. 26?

A. No.

Q. 2. Does the exemption apply to all nonprofit hospitals which were covered by the original General Order No. 26?

A. Yes. These hospitals no longer are required to report their adjustments, and have been placed on the same basis as other nonprofit organizations.

Q. 3. Are persons employed in commercial properties owned by a nonprofit charitable organization, all of whose income is devoted exclusively to charitable or educational purposes, within the provisions of General Order No. 26?

A. Yes. No distinction is made between persons engaged directly in the charitable undertaking and persons employed in commercial enterprises operated by the organization if the income of such enterprise is devoted exclusively to charitable purposes.

### GENERAL ORDER NO. 27

(Adopted January 23, 1943, Amended October 14, 1943)

(a) The National War Labor Board, in accordance with the further provisions of this order, hereby delegates to the Administrator of the

National Housing Agency, to be exercised on his behalf by the Commissioner of the Federal Public Housing Authority (hereafter referred to as the Housing Wage Agency), the power to approve or disapprove all applications for adjustments of wages and salaries (insofar as approval thereof has been made a function of the National War Labor Board) of employees whose wages and salaries are not fixed by statute that are employed within the continental United States and Alaska by

- (1) Federal Public Housing Authority,
- (2) Defense Homes Corporation, and
- (3) Property Managers of Defense Homes Corporation Projects.

(b) In the performance of its duties hereunder the Housing Wage Agency shall comply with Executive Order 9250, dated October 3, 1942, Executive Order 9328, dated April 8, 1943, the Supplement thereto issued by the Director of Economic Stabilization on May 12, 1943, and all principles and policies of the National War Labor Board and the Director of Economic Stabilization heretofore or hereafter announced. The Housing Wage Agency, without making an initial ruling thereon, may refer to the National War Labor Board, for decision by the Board, any application which in its opinion presents doubtful or disputed questions of sufficient seriousness and import to warrant direct action by the Board.

(c) The Housing Wage Agency shall transmit to the Review and Research Division of the National War Labor Board copies of its rulings, and rules of procedure, if any, as they are issued, and such additional data and reports as said Division or the Board may from time to time deem necessary.

(d) Any ruling by the Housing Wage Agency hereunder shall be deemed the act of the National War Labor Board and shall be final, subject to the National War Labor Board's right to review rulings on its own motion and to reverse or modify the same. Any such reversal or modification shall not be retroactive and shall allow the Commissioner of the Federal Public Housing Authority a period of two weeks for compliance.

### GENERAL ORDER NO. 28

(Adopted February 2, 1943)

(a) The National War Labor Board hereby delegates to the Joint Committee on Printing power to make, or to rule on applications for, wage and salary adjustments with respect to employees in the Government Printing Office insofar as such adjustments are subject to the jurisdiction of the National War Labor Board.

### GENERAL ORDER NO. 29

(Adopted February 18, 1943, Amended October 14, 1943)

(a) The National War Labor Board hereby delegates to the Director General of the Pan American Union the authority to approve adjustments in the wages and salaries of employees of the Pan Ameri-

can Union, insofar as approval thereof has been made a function of the National War Labor Board.

(b) In the performance of the authority delegated hereunder, the Director General of the Pan American Union shall comply with Executive Order 9250, dated October 3, 1942, Executive Order 9328, dated April 8, 1943, the Supplement thereto issued by the Director of Economic Stabilization on May 12, 1943, and all principles and policies of the National War Labor Board and the Director of Economic Stabilization heretofore or hereafter announced.

### GENERAL ORDER NO. 30

(Adopted February 18, 1943, Amended August 23, 1943,  
November 11, 1944)

In accordance with the provisions of Section 4 of Title II of Executive Order 9250, increases in wage or salary rates which do not bring such rates above 50 cents per hour may be made without the approval of the National War Labor Board. Increases above 40 cents per hour made hereunder may not, however, furnish a basis either to increase price ceilings of the commodity or service involved or to resist otherwise justified reductions in such price ceilings.

Q. 1. Is the reasonable value of meals, board, or lodging to be included in determining the minimum wage rate of 50 cents an hour under General Order 30?

A. Yes.

Q. 2. May an employer raise the wage rates of employees to 50 cents per hour without computing and including the amount of the tips received by the employees?

A. Yes. In personal service occupations, where tips are received in varying amounts and at various times from persons other than the employer, such tips need not be included.

Q. 3. If a company has a piece-rate scale where half of the workers earn less than 50 cents per hour may the company adjust the rate without Board approval so that the normal worker will earn 50 cents per hour, even though the highly proficient worker will as a result earn more than 50 cents per hour?

A. Yes. However, piece work rate may not be adjusted without Board approval so that the least skilled employee will earn 50 cents per hour.

Q. 4. May an employer who has increased his wages under General Order No. 30 maintain the differential in inter-related jobs by increasing the wages of employees whose wages were above 50 cents an hour, without Board approval?

A. No.

Q. 5. Are wage increases made under the provisions of General Order No. 30 to be included in computing the 15 percent increase allowed under the "Little Steel" formula?

A. Yes.

**GENERAL ORDER NO. 31**

(Adopted May 26, 1943, Amended August 18, 1943)

The following regulations supplementary to General Orders 5, 6, and 9 relating to wage and salary schedules and to plans for making individual wage and salary adjustments under such schedules are hereby adopted:

**I. EMPLOYERS OF 30 OR FEWER EMPLOYEES**

Without regard to the requirements of General Orders 5, 9, or 31 an employer of 30 or fewer employees may, without approval of the National War Labor Board, make individual increases in the wage or salary rates of his employees for particular jobs as a reward for improved quantity and/or quality of work or service, provided that

(A) The total of such increases to any individual employee (subject to National War Labor Board jurisdiction) shall not exceed 10 cents per straight-time hour during any year (beginning July 1, 1943), and the total amount expended on such increases during any such year shall not exceed an average of 5 cents per straight-time hour for all the employees in the establishment<sup>1</sup> whose wage or salary rates are subject to the jurisdiction of the National War Labor Board.

(B) Such increases shall not be made the basis of an application to the National War Labor Board for approval of increases to eliminate intraplant inequities.

(C) Such increases shall not result in the payment to any employee of a rate in excess of the highest rate paid by the employer between July 1, 1942, and June 30, 1943, for jobs of similar skill, duties, and responsibility.

(D) Such increases shall not result in any appreciable increase in the level of production costs and shall not furnish a basis either to increase prices or to resist otherwise justifiable reductions in prices.

(E) Such increases shall not be made contrary to the terms of any collective bargaining agreement covering any or all of the employees of such employer.

Such employer is not precluded from applying to the National War Labor Board for approval of a schedule of making individual wage or salary adjustments, as provided below for employers of 31 or more employees.

**II. EMPLOYERS OF 31 OR MORE EMPLOYEES**

An employer of 31 or more employees may make individual increases in the wage or salary rates of his employees under General Orders 5 and 9 without National War Labor Board approval only under a schedule which conforms to the following standards.

In order to have a "schedule" within the meaning of General Orders 5 and 9, an employer must satisfy the following two requirements:

<sup>1</sup> The term "establishment" as used throughout this General Order normally means a place of business of an employer. Such place of business may be a physically separate unit or a unit which is customarily distinguished for administrative purposes. An example of a physically separate establishment is a plant or a retail store. An example of an administratively separate establishment is a research laboratory or general office.

He must have (a) job classification wage or salary rates or rate ranges and (b) a plan for making individual adjustments within and between such wage or salary rates or rate ranges.

**A. Job-classification Rates or Rate Ranges Properly in Existence Do Not Require Approval of the National War Labor Board.**

1. A job classification is a category of jobs or positions which are similar in nature and content and in required amount of knowledge, skill, experience, and responsibility. A job classification involves more than a mere descriptive title; the classification must be clearly defined and described. Where jobs differ as to knowledge, skill, experience, and responsibility, there should be different job classifications. (For example, typists, stenographers, and secretaries should each be considered separate job classifications because the respective work differs as to skill, content, and responsibility. These three categories may not be grouped together in one job classification.)

2. A job classification rate exists where an employer pays a single rate rather than a range of rates for a given job classification. Jobs remunerated on a piece-rate basis are normally considered to be in single-rate job classifications.

3. A job classification rate range exists where an employer pays, for a given job classification, a number of rates varying from a clearly designated minimum rate to clearly designated maximum rate.

(a) A mere descriptive job title and a poorly defined or extremely wide rate range is not a job classification rate range.

(b) The minimum and maximum rates are not necessarily the lowest and highest rates being paid at a given time for a particular job classification. For special reasons (e. g., lack of experience or superior ability) particular employees may be receiving less than the minimum or more than the maximum rate. Moreover, it may happen at a given time that no employee is receiving the actual minimum or maximum rate for a particular job classification.

4. Job classification rates or rate ranges properly in existence are those (as defined above) which were (a) in existence prior to October 3, 1942; or (b) those resulting from permitted or approved adjustments subsequent to that date; or (c) rates set for new jobs under either the former or the revised General Order No. 6. Improper adjustments of rates for job classifications or for individual employees are not a basis for determining a job classification rate or rate range.

**B. A Plan Properly in Existence Does Not Require Approval of the National War Labor Board**

1. A plan is an orderly, definite procedure or a group of procedures for making adjustments, within specified limits, in the wage or salary rates of individual employees (a) within particular job classifications and (b) when they move from one job classification to another.

Such a plan ordinarily includes (a) tests and procedures for determining whether employees are to be given individual rate adjustments; and (b) limits on the number of adjustments, the timing of adjustments, and the average or total amount of money to be granted

in the adjustments over a given period of time. (It is not essential that a given plan include *all* the foregoing items.)

2. A plan properly in existence is one (as defined above) under which individual rate adjustments are made in conformity with the provisions of (a) a collective bargaining or other bona fide, established agreement which was in effect on June 30, 1943; or (b) written statements, minutes, or memoranda of the employer which were in existence and effect on or before June 30, 1943; or (c) a plan approved by the National War Labor Board or by any of its authorized agents or agencies; or (d) the plan outlined below.

C. Employers who have no plan properly in existence (as defined under (a), (b), or (c) of the paragraph immediately above) may adopt the following plan without obtaining approval from the National War Labor Board. Employers who wish to replace properly existent plans with the following plan may also do so without Board approval (but see Section III-A-5 below):

1. Merit increases or automatic length-of-service increases.—(a) Merit increases are individual wage or salary rate adjustments made as a reward for improved quantity and/or quality of work or service. Automatic length-of-service increases are individual adjustments usually made automatically at the end of specified periods of satisfactory service.

(b) Both such increases must be made only within job classification rate ranges (as defined above).

(c) The total of such increases to any individual employee (subject to National War Labor Board jurisdiction) shall not exceed, during any year (beginning July 1, 1943), 10 cents per straight-time hour or more than two-thirds of the difference between the appropriate minimum and maximum rates, whichever increase is greater, and the total amount expended on such increases during any such year shall not exceed an average of 5 cents per straight-time hour for all the employees in the establishment who are covered by the plan and whose wage or salary rates are subject to National War Labor Board jurisdiction.

2. Promotions or reclassifications involve individual adjustments which result from moving an employee into a different job classification. Promotions and reclassifications may be made between jobs which bear single rates as well as between jobs which bear rate ranges. When promoted or reclassified to a higher-rated job, an employee (subject to National War Labor Board jurisdiction) may receive a rate not in excess of 15 percent above his rate on his former job or the minimum rate for the new job, whichever ever is higher; provided, however, that where an employee has special ability and experience, he may be paid a rate within the appropriate range corresponding to such ability and experience; and provided further that a promoted or reclassified employee shall not receive a rate lower than the single rate or than the minimum of the rate range applicable to the job classification to which the employee has been promoted or reclassified. If, before the effective date of this amendment (September 7, 1944) an employer has had a plan properly in existence (as defined in this General Order) which provides for the payment to a promoted or reclassified employee of a rate lower than the single rate

or the minimum of the range during a probationary period, such provision may be continued in effect. (Amended September 7, 1944.)

3. Apprentice or trainee programs involve individual rate adjustments resulting from improvement, over specified periods of time, in the productive abilities of apprentices or trainees who are employed under a bona-fide apprentice or trainee program as defined below. Under these programs, adjustments may be made with respect to jobs which bear single rates as well as with respect to jobs which bear rate ranges. Apprenticeship or trainee programs for a given job classification—with respect to length of apprenticeship or learner period; proportion of number of apprentices or learners to number of experienced workmen; and relation of apprentice or learner wage rate at various periods to the rate paid to experienced workmen—should conform to the standards set forth in a collective bargaining agreement or in the applicable regulations of federal or state agencies. The re-examination or modification of existing apprentice or trainee programs in the interests of greater production for the war effort is not precluded. Any change in existing apprentice or trainee programs, however, requires Board approval unless made in conformity with changes in the applicable regulations of federal or state agencies.

D. With respect to all schedules, (1) each job classification must be clearly distinguished and described; and (2) no appreciable increases in the level of production costs may result from individual rate adjustments, nor shall such adjustments furnish a basis either to increase prices or to resist otherwise justifiable reductions in prices; and (3) individual rate adjustments may not be made the basis for an application to the National War Labor Board for approval of wage or salary rate increases to eliminate intra-establishment.

E. Records.—Any employer who makes individual wage or salary rate adjustments pursuant to a schedule must hereafter keep available for a period of two years, records showing (1) for each job classification, (a) the rate or range of rates and (b) the description; (2) a statement of the plan of making adjustments within the rate ranges and between the rates or rate ranges; (3) the date when the schedule was established; (4) for each employee who received an adjustment, his name, the date hired, the date of and the reason for adjustment, the job classification, and the rate of pay before and after the adjustment. No particular order or form is prescribed for these records, provided that the information required is readily obtainable.

#### F. Restrictions on Hiring Employees at Rates in Excess of the Minimum Rate of the Properly Established Rate Range for a Given Job Classification (As Amended September 7, 1944)

##### 1. Existing Establishments

An employer shall hire employees at the minimum of the properly established rate range for a given job classification; provided, however, that an employee who has special ability and experience may be hired at a rate within the range corresponding to such ability and experience. But an employer may not, within a given year (which shall be the same year as the one used by the employer in calculating the

average amount of merit or length of service increases given under Section II-C-1 of this General Order), hire more than 25 percent of *all* the employees hired in his establishment for job classifications for which rate ranges have been established, at rates in excess of the minima of such rate ranges for such job classifications. In any establishment in which fewer than four employees are hired within the year, for such job classifications, one employee who has special ability and experience may be hired at a rate in excess of the minimum rate of the properly established rate range. If, before the effective date of this amendment, an employer has had a plan properly in existence (as defined in this General Order) which provides that some percentage of employees in excess of 25 percent may be hired at rates above the appropriate minimum rates, such provision may be continued in effect. All other employers are subject to the restrictions of this or the following subsection (II-F-1 or II-F-2).

## 2. New Establishments or New Departments in Existing Establishments

An employer shall hire employees at the minimum of the properly established rate range for a given job classification; provided, however, that an employee who has special ability and experience may be hired at a rate within the range corresponding to such ability and experience. But an employer may not within the first year of operation hire more than 50 percent of all the employees hired in his establishment, for job classifications for which rate ranges have been established, at rates in excess of the minima of such rate ranges for such job classifications. During all subsequent years of operation no more than 25 percent of all the employees hired in his establishment for such job classifications may be hired at rates in excess of the minima of such rate ranges for such job classifications. In any establishment in which fewer than four employees are hired within the year, for such job classifications, one employee who has special ability and experience may be hired at a rate in excess of the minimum rate of the properly established rate range.

## 3. Critical or Essential War Work.

(a) Whenever the War Manpower Commission certifies in writing to an agent of the National War Labor Board that a particular employer is (1) actually engaged in critical or essential war work, (2) observing all the rules and regulations of the War Manpower Commission, and (3) faced with a critical hiring problem due to the limitations of subsection 1 and 2 above, the agent of the Board shall authorize, within 5 days after the certification is received (provided the Board agent does not stay the effective date within the 5-day period) such employer to hire, without regard to such limitations, employees laid off or discharged from their last positions because of a cut-back or elimination of essential war work or employed in non-critical or non-essential work, as stated in the certificates of referral of the War Manpower Commission presented by such employees. Such employees shall not be included in computing the number of employees who may be hired at rates in excess of the minima of the rate ranges under subsections 1 and 2 above.

(b) Any employee hired in accordance with the provisions of this subsection 3 may be hired by the employer at any rate within the appropriate rate range for his job classification corresponding to his ability

and experience; provided that, if the rate received by any such employee in his last position was below the minimum of the appropriate rate range of his new employer, he shall be hired at a rate no lower than the minimum rate of such rate range, and he shall not be hired at a rate above such minimum rate unless the hiring is made subject to the provisions of subsection 1 or 2 above.

(c) The Manpower Commission shall submit monthly to the Wage Stabilization Division of the Board agent a report of such hirings, which report shall include (1) name and address of hiring employer, (2) name of employee hired, (3) date of hiring, (4) nature of job for which hired, (5) rate range of job for which hired, (6) rate at which hired, (7) nature of job last performed, (8) rate received on job last performed, (9) name and address of last employer.

## III. GUIDES FOR OBTAINING BOARD APPROVAL WHERE REQUIRED

A. All wage or salary rate schedules (as defined) which are not exempt from the requirement of Board approval (as stated above) must be submitted for approval to the appropriate Regional War Labor Board. In order that the making and the examination of such applications for approval may be facilitated, certain requirements are outlined below.

1. Proposed *rate ranges* (where it is desired to make individual merit or automatic length-of-service increases as well as promotions and reclassifications) should be set forth for each job classification involved.

2. Proposed *single rates* (where it is desired to make promotions or reclassifications but not to make merit increases or automatic length-of-service increases) should be set forth for each job classification involved.

3. Each *job classification* involved should be clearly distinguished and described.

4. So far as *plans* for making individual adjustments between rates or within and between rate ranges (either for existing establishments or for new establishments and departments) are concerned, a proposed plan should contain the following information with respect to one or more of the methods outlined below. The plan so submitted need not necessarily conform to the criteria of the plan set forth above which does not require Board approval.

(a) **Merit increases:** The average amount of increase to be given during any year for all employees covered by the plan; and the maximum amount (in cents per hour or in terms of the percentage of the difference between the minimum and maximum rates of the range) of the increase to be given during a given year to any employee.

(b) **Automatic length-of-service increases:** The average amount of increase to be given during any year for all employees covered by the plan; and the maximum amount (in cents per hour or in terms of the percentage of the difference between the minimum and maximum rates of the range) of the increase to be given during a given year to any employee.

(c) **Promotions or reclassifications:** The rate to be paid upon promotion or reclassification to a higher-rated job, whether the minimum rate called for by the new job or a rate in excess of such mini-

mum; and if a rate in excess of the minimum called for by the new job is to be paid, the criteria that will determine the rate should be described (e. g., special skill and experience, other unusual qualifications, etc.).

(d) **Apprentice or trainee systems:** The conformity of the plan with the standards set forth in appropriate collective bargaining agreements or in appropriate regulations of federal or state agencies with respect to the following items: length of apprenticeship or learner period; proportion of number of apprentices or learners to number of experienced workmen in a given job classification; and relation of apprentice or learner rate at various periods to the rate paid experienced workmen.

The plan should also indicate the approximate percentage increase in payroll costs and in production (total) costs.

5. If there is a duly recognized or certified labor organization which is entitled to bargain on wage matters for any or all of the employees included in a proposed schedule or in a proposed change in an existing schedule, approval must be jointly requested, by the employer and such labor organization, or that part of the schedule which directly involves employees represented by such labor organization. Similarly, agreement with such labor organization must be obtained by the employer before he can adopt or change to the plan which does not require Board approval. If an agreement on any point cannot be reached, the parties may jointly submit the issues to the appropriate Regional War Labor Board for determination or may ask the Regional Board to refer the matter to the National War Labor Board for determination. Failing joint submission, the matter will be treated as a dispute case.

6. Where an application includes more than one establishment, it shall set forth separately a schedule for each establishment or for each group of similar establishments.

7. Companies having establishments in more than one Region may apply for approval of schedule, where approval is necessary, in each of the Regions where the establishments are located or in the Region in which is located the company office at which the schedules are determined. In the latter case, the Regional Board may, if it considers that the application warrants national consideration, refer it to the National War Labor Board.

B. Any employer who wishes to make a change in one or more provisions of his properly existent wage or salary rate schedules (except changes in conformity with the plan which may be adopted without Board approval) may obtain consideration of such proposed change from the appropriate Regional War Labor Board without the necessity of having his entire schedule approved or reapproved.

### Interpretative Bulletin No. 1 For General Order No. 31

(Adopted October 8, 1943, Amended November 1, 1943)

Q. 1. Do the provisions of Section I, permitting employers of 30 or fewer employees to make individual adjustments in the wage or sal-

ary rates of employees "for improved quantity and/or quality of work or service", apply only to merit increases?

A. The section authorizes adjustment based upon length of service, as well as merit. The total of both types of adjustments must, however, meet the limitation set forth in Section I.

Q. 2. Do the provisions of Section I apply to adjustments based upon promotions or reclassifications?

A. No. Section I was designed for small employers who possess no separate job classifications, as defined in Section II, and who would therefore be limited to merit and length of service adjustments. If an employer of 30 or fewer employees possesses definite job classifications, as defined in Section II, the provisions of Section II referring to promotions or reclassifications control.

Q. 3. May employers of 30 or fewer employees who possess established schedules, or established rates or rate ranges, as defined in Section II, make adjustments in accordance with the provisions of Section II?

A. Yes. Section I is designed for the benefit of employers of 30 or fewer employees who possess no established schedules, or rates or rate ranges. Employers of 30 or fewer employees possessing established schedules, or established rates or rate ranges, may make adjustments, at their option, in accordance with Section I or II.

Q. 4. May an employer of 30 or fewer employees possessing an established schedule, including a plan properly in existence, as defined in Section II, avail himself of the provisions of Section I in making length of service and merit increases?

A. Yes.

Q. 5. As of what time shall the question of whether an employer has 30 or fewer employees be determined?

A. As of the time the adjustment is placed into effect.

Q. 6. Are employees not subject to the jurisdiction of the National War Labor Board to be included for the purpose of determining whether an employer has 30 or fewer employees?

A. Yes.

Q. 7. Does Section I apply to employers who own or operate more than one plant or unit in each of which they employ 30 or fewer employees, if the total number of all the employees exceeds 30?

A. No.

Q. 8. Does the rate referred to in Paragraph I-C, as existing between July 1, 1942, and June 30, 1943, above which adjustments may not be made, include rates which are established without Board approval, if approval was required?

A. No. The rate must have been (1) in existence on October 3, in the case of wages, or October 27, 1942, in the case of salaries, (2) approved by the National War Labor Board, or (3) properly established for a new job in accordance with General Order No. 6.

Q. 9. Do the terms "jobs of similar skill, duties, and responsibility" in Paragraph I-C permit the grouping of different job classifications?

A. No. The section refers to the highest rate paid within the rate range for the job classification for positions of similar skill, duties, and responsibilities.

Q. 10. Do the provisions of Section I-C apply to tool and die workers, for whom maximum rates of pay have been set by the Board?

A. No. On September 10, 1943, the National War Labor Board, by resolution, made Section I inapplicable to employers of tool and die workers.

Q. 11. May adjustments be made under Section I which are contrary to the terms of a collective bargaining agreement, if the parties to the agreement consent to the adjustments?

A. Yes.

Q. 12. Section II-A-3-a states that "a mere descriptive job title and a poorly defined or extremely wide rate range is not a job classification rate range." What spread for a range may be regarded as proper?

A. The spread between the minimum and maximum rates for each job classification should, wherever possible, conform to standards prevailing in the industry and area. Where such standards are not available, the determination of the spread is a matter of discretion, and the facts of each case should be considered controlling.

Q. 13. Does the requirement that job classification rate or rate ranges be in existence prior to October 3, 1942, as set forth in Section II-A-4, apply to salaries?

A. No. Salary rate or rate ranges are "properly in existence" if they were in existence on or before October 27, 1942.

Q. 14. Must a plan include all the criteria set forth in Section II-B-1? (Such criteria being, a limit on the number of permissible adjustments, and the average or total amount of the adjustments over a given period of time.)

A. No. But it must then be otherwise demonstrated that the plan represents an established method or procedure for making individual adjustments and was in existence on June 30, 1943.

Q. 15. May an employer apply part of the plan set forth in Section II-C?

A. Yes.

Q. 16. May an employer apply the plan to a part, but not all, of his operations?

A. Yes.

Q. 17. Does the reference to "written statements, minutes, or memoranda of the employer" in Section II-B-2 include pay roll records?

A. The reference to pay roll records has been eliminated because experience under the old General Order 31 indicated that it was scarcely ever possible to establish a plan from an examination of pay roll records. Since, however, it is not inconceivable that a plan may be established from pay roll records, it is impossible to rule them out. However, the pay roll records must clearly spell out a definite and orderly plan as defined in the amended order.

Q. 18. May one employee receive both merit and length of service increases under Section II-C-1?

A. Yes. However, the total of both increases must not exceed the amounts set forth in Subdivision (c).

Q. 19. Does the provision in paragraph II-C-1-c limiting individual increases mean that an employee's *basic hourly rate* may not be increased more than ten cents per straight time hour or more than two-thirds of the difference between the appropriate minimum and maximum rates?

A. Yes.

Q. 20. In the case of salary rate ranges expressed in terms of dollars per week or month, how may the ten-and-five rule be applied?

A. The hourly rate of the employee should be determined by dividing the salary by the basic number of hours to which it is intended to apply.

Q. 21. If an employer possesses an established plan for part of his employees, and adopts the Board plan for his remaining employees, are the employees not covered by the Board plan to be included in computing the amount of the increases permissible under the Board plan?

A. No.

Q. 22. If a company does not have a collective bargaining agreement, should a proposed apprentice or trainee plan include the proportion of number of apprentices to experienced workmen in a given job classification?

A. Yes.

Q. 23. Does the requirement that "except where there has been a substantial fluctuation in the number of employees, the proportionate distribution of employees within and among rate ranges must remain substantially the same from quarter year to quarter year" still apply?

A. No.

Q. 24. May employers who have prior to the issuance of the amended Order, adopted the plan permitted under the old Order, continue to operate under that plan?

A. Yes. Such a plan, if properly adopted, constitutes a plan "properly in existence," as referred to in Section II-B.

## Interpretative Bulletin No. 2 to General Order No. 31

### Interpretation of Section II-C-1-c

Section II-C-1-c of General Order No. 31 provides: "The total of such (merit and automatic length-of-service) increases to any individual employee (subject to National War Labor Board jurisdiction) shall not exceed, during any year (beginning July 1, 1943), 10 cents per straight-time hour or more than two-thirds of the difference between the appropriate minimum and maximum rates, whichever increase is greater and the total amount expended on such increases during any such year shall not exceed an average of 5 cents per straight-time hour for all the employees in the establishment who are covered by the plan and whose wage or salary rates are subject to National War Labor Board jurisdiction."

The practice of granting individual increases to employees for meritorious work or in accordance with their length of service is an established feature of the American wage structure. The National War Labor Board wishes employers to retain this flexibility of individual adjustments. The Board is determined, however, that this type of adjustment shall not circumvent the purposes of wage stabilization. If there were no limitations on the amounts of individual merit and length-of-service increases or no limitations on the frequency with which they could be made, individual adjustments could be used to obtain otherwise unapprovable wage rate increases.

Since General Order No. 31 was designed by the Board to allow flexibility in granting length of service and merit increases to *individual* employees, it is contrary to the spirit of this Order to make

adjustments which amount to general increases to all employees or to major groups of employees. The Board has provided other mechanisms by which applications for general increases may be speedily processed. Thus, it would be contrary to the intent of this General Order for an employer to grant no individual merit increases for six months and then increase the wage rates of all employees by 10 cents during the second half of the year.

In Question and Answer #19 of Interpretative Bulletin No. 1 to General Order No. 31, it was indicated that the 10 cents or two-thirds-spread limitation was to be applied to the employee's basic hourly rate. Thus an employee may not, under the Order receive an increase of more than 10 cents per hour in his basic hourly rate or two-thirds of the difference between the minimum and maximum of his rate range, regardless of the period during the year in which the increase takes effect.

In the same manner, the five cents limitation is to be applied to the basic average straight-time hourly rate for the employees in the establishment covered by the plan. This basic average straight-time hourly rate may not be increased by more than five cents, regardless of the time when the adjustments take effect.

In other words, the Order does not permit the payment of an additional five cents for each man hour worked during the year, without regard to the time when the adjustments take effect. Hence, it does not permit the creation of a fund as such at the beginning of the year; representing five cents for each man hour to be worked during the year by the employees covered by the plan, to be distributed in increases during the course of the year. Such a method of calculation would obviously make the amount of the increase dependent upon the date when it is granted and conceivably might result in the full 10-cent increase to all employees covered by the plan, if no increases had been given until after the middle of the year.

Operations under Section II-C-1-c of General Order No. 31 require that an employer budget or control carefully all merit and length of service increases. Only by this device will an employer be able to determine that these merit and length of service increases have averaged no more than 5 cents per straight time hour.

In the process of applying this section of General Order No. 31, employers will encounter problems of interpretation that arise from the fact that their labor force may increase or decrease and that they will have turnover in personnel in a labor force even of constant size. Their scheduled operations per day or per week may be altered. As stated above, it is the intent of the Board that these changes in employment be not used to grant otherwise unapprovable increases. On the other hand, the Board also intends that such changes in personnel shall not prevent employers from making reasonable individual wage or salary rate adjustments within the limitations of the General Order.

The following methods have been approved by the Board, and one or the other may be adopted by an employer without further approval. If an employer wishes to adopt a significantly different method, approval will be required from the appropriate Regional War Labor Boards.

It should be noted that, whereas Method A may be used by relatively "large" employers who experience substantial labor turnover or substantial increases or decreases in employment, Method B is designed

primarily for employers who have small, stable work forces and who desire a simple method of control.

### METHOD A

Take the number of employees on the pay roll, subject to the jurisdiction of the National War Labor Board on July 1, 1943, or on the pay roll period ending closest to this date, and calculate the total cents per hour increase allowable for the year by multiplying the number of employees on July 1st by 5 cents per hour.

A ledger control should then be set up in which the opening or allowable increases should be entered. As increases are granted, the amount of the increase in cents per hour should be deducted from the allowable increase available for disbursement. As additional employees are hired, subject to the jurisdiction of the War Labor Board, the budget should be increased 5 cents for each individual added. As employees are exited, subject to the jurisdiction of the War Labor Board, the budget should be reduced 5 cents for each individual exited. However, any increases previously given to an employee should be restored to the budget when that employee is exited (see example below). As employees who have received an increase are promoted to a new job classification, the amount of wage increase in the former job classification should also be restored to the budget.

7-1-43	100 employees in establishment. Budget = (100 employees × \$0.05) -----	\$5.00
8-1-43	Increase 8 employees \$0.10 per hour and 2 employees \$0.06 per hour. 8 × \$0.10 = \$0.80 2 × \$0.06 = 0.12 -----	Minus 0.92
	Balance remaining for disbursement -----	4.08
10-20-43	Hired 10 additional employees. 10 × \$0.05 = \$0.50 -----	Plus .50
	Balance remaining for disbursement -----	4.58
11-1-43	Exited 3 employees increased \$0.10 on 8-1-43. 3 × \$0.05 = \$0.15 -----	Minus .15
	Balance -----	4.43
	Restore increase previously granted. 3 × \$0.10 = \$0.30 -----	Plus .30
	Balance remaining for disbursement -----	4.73
1-1-44	Exited 10 employees who have received no increase. 10 × \$0.05 = \$0.50 -----	Minus .50
	Balance remaining for disbursement -----	4.23
4-9-44	Promoted one employee who received \$0.10 increase 8-1-43 to new job classification at minimum rate for new job. Restore unused increase. 1 × \$0.10 = \$0.10 -----	Plus .10
	Balance remaining for disbursement -----	4.33

And so on.

## METHOD B

Employers shall be entitled to make merit or length of service increases averaging five cents during any year. From this figure of five cents shall be subtracted such increases as are made, allocated over the entire work force. When the five cents is used up, no further increases can be made until the next year. Total merit or length of service increases shall be calculated each month, then added and divided by the number of persons on the payroll at the beginning of the month.

For example:

During the first month:

3 received \$0.05, total-----	\$0. 15
2 received \$0.10-----	0. 20
1 received \$0.03-----	0. 03
	<hr/>
	\$0. 38
Number of employees on pay-roll at beginning of month, 100.	
Average merit increase ( $\$0.38 \div 100$ )-----	\$0. 0038
Amount remaining ( $\$0.05 - \$0.0038$ )-----	0. 0462

During the second month:

8 received \$0.10, total-----	\$0. 80
20 received \$0.05-----	1. 00
	<hr/>
	\$1. 80
Number on payroll at beginning of month, 200.	
Average merit increase ( $\$1.80 \div 200$ )-----	\$0. 009
Amount remaining ( $\$0.0462 - \$0.009$ )-----	0. 0372

And so on.

It should be noted that an employer is not permitted to give a merit increase or an automatic-length-of-service increase to any employee in an amount which will cause the wage or salary rate of the employee to exceed the maximum rate of the range for the employee's job classification.

### Interpretative Bulletin No. 3 Under General Order No. 31

In response to the many requests for a clarification of Section II-F\*

of General Order No. 31, you are hereby notified of the following rules to be followed in applying this amendment:

(1) An employer may exceed at any one time during the year the 25 percent limitation of hiring above the minimum so long as the limitation has not been exceeded at the end of the accounting year. The Board has adopted the policy of being liberal in the starting date of the 25 percent limitation in view of the fact that many employers did not learn of the amendment until sometime after its promulgation.

(2) The 25 percent limitation does not apply to transfers from one plant or establishment to another of the same employer.

\*See Section II-F as amended September 7, 1944.

(3) An employee may be rehired by the same employer at the level at which he left, or if the range for his job has changed during his absence, at the minimum of the new range, which ever is higher, and such hiring shall not be charged against the 25 percent limitation.

(4) The following rules shall apply to hiring of temporary employees during special rush periods such as the Christmas rush:

(a) The rehiring rule outlined above in (3) shall apply to rehiring of old employees during such periods.

(b) Employees hired during such rush period who have not previously worked for that particular employer may be hired at a rate not in excess of the midpoint of the range without charging such hiring against the 25 percent limitation. Hirings above the midpoint are subject to the 25 percent limitation.

(5) The rules outlined under (4) above shall apply to the hiring of old and new employees for seasonal operations. For the purposes of this rule, the term "seasonal" is to be defined as provided in the regulations issued under the Fair Labor Standards Act:

"Section 526.3. *Industry to which the exemption is applicable.*—The exemption for an industry of a seasonal nature is applicable to an industry (a) which both:

(1) engages in the handling, extracting or processing of materials during a season or seasons occurring in a regularly, annually recurring part or parts of the year; and

(2) ceases production, apart from work such as maintenance, repair, clerical and sales work, in the remainder of the year because of the fact that, owing to climate or other natural conditions, the materials handled, extracted, or processed in the form in which such materials are handled, extracted, or processed are not available in the remainder of the year, or

(b) which both:

(1) engages in the packing or storing of agricultural commodities in their raw and natural state, and

(2) receives for packing or storing 50 percent or more of the annual volume in a period or periods amounting in the aggregate to not more than 14 work weeks."

(6) A company may reemploy ex-service men and women previously in their employ without regard to the 25 percent limitation.

(7) Employers of fewer than 30 employees are not bound by the 25 percent limitation unless they are operating under a plan established under Section II of General Order No. 31.

(8) In order to constitute "a plan properly in existence (as defined in this General Order) which provides that some percentage of employees in excess on 25 percent may be hired at rates above the appropriate minimum rates," the plan must show (a) a predetermined limitation on the percentage of hiring at rates above the appropriate minimum rates, or (b) objective criteria or standards for determining the rate that new employees should receive, the application of which criteria or standards results in limiting the number of employees hired at rates above the appropriate minimum rates. Such a plan may not be established merely by ascertaining from payroll records the number or percentage of employees hired above the minimum rate during a specified period in the past. To approve such a proposal would clearly be to defeat the purpose of the regulation.

### Miscellaneous Questions Under General Orders No. 5, 9, and 31

Q. 1. If a piece rate is established on a probationary basis for short period of time, may it be increased or decreased without approval as soon as the normal rate of production has been determined?

A. Yes.

Q. 2. May differences in piece rates as between different plants of a corporation be modified or eliminated without the approval of the Board?

A. No.

Q. 3. Upon a change in the type of product manufactured, employees theretofore paid on a piece rate basis were converted to an hourly basis until time studies could be completed for the fixing of new piece rates. May the new piece rates be instituted without Board approval?

A. Yes, unless the rates involve an entire department or plant, in which event approval is required under General Order No. 6.

Q. 4. What is the meaning of the term "trainee system" in General Order Nos. 5, 9 and 31?

A. The term is intended to be synonymous with a learner system. In general, it should be regarded as being limited to the system under which a new employee is trained to perform the particular job for which he is hired. The meaning of the term "learner" is similar to the construction given this term under the Fair Labor Standards and Public Contract Acts.

Q. 5. If a company has an established wage rate schedule for which minimum and maximum rates were fixed for particular job classifications prior to October 3, 1942, must adjustments be confined to that rate range if the company advises that in isolated instances certain persons were employed at rates lower than the minimum and others were paid at rates higher than the maximum?

A. Isolated cases of deviations from the established rate range do not effect the existence of the range. No adjustment outside the established range may be made without Board approval.

Q. 6. May an employer without Board approval modify existing schedules by eliminating or increasing the first or minimum wage or salary rate?

A. No.

Q. 7. May an employer without Board approval decrease the time intervals for progressions in a rate schedule, thereby accelerating such progressions?

A. No.

Q. 8. A company has plants in different areas. The same job classifications exist at each plant, but the rate ranges vary. May the lowest and the highest rates prevailing in the plants be taken as establishing a single over-all rate range within which adjustments may be made without Board approval?

A. No.

Q. 9. If a company operating on a nation-wide basis transfers an employee from one of its plants to another in which the established rate for this job is higher, may he be paid the higher rate without Board approval?

A. Yes.

Q. 10. A firm has properly established job classifications with rate ranges. No employee within a certain job classification is receiving more than \$1.00 per hour. However, the maximum rate fixed for the classification is \$1.30 per hour. May the employer make adjustments within this classification on an individual basis up to \$1.30 per hour?

A. Yes.

Q. 11. Where a collective bargaining agreement executed prior to October 3, 1942, provides for a lower rate for temporary than for permanent employees, may an employee who is transferred from a temporary to a permanent position be increased to the rate for the permanent position without the approval of the Board?

A. Yes.

Q. 12. If it has been the practice of a company to grant individual increases dependent upon the annual profits, must application be made for approval of such increases?

A. Yes.

Q. 13. May a reclassification to a lower paying job with accompanying change of duties be made without approval?

A. Yes.

Q. 14. If an employee on a specified job at a fixed wage rate is assigned to another job which calls for a lower rate, may he be paid at the wage rate of his former job if (a) there is a union contract so providing or (b) there is no such contract provision?

A. In the first instance the higher rate may be paid without approval since the union contract establishes a higher rate range for the job under these circumstances. If there is no such contract provision and no established custom, Board approval is required since the rate paid would be higher than the existing rate for the classification.

Q. 15. Does an arbitrator's or referee's determination, on the basis of a collective bargaining agreement setting forth job classifications, that an individual has not been properly classified and should be reclassified into another position and paid the corresponding rate therefor, require Board approval, even though it involves no change in the person's duties?

A. No.

Q. 16. Must adjustments permissible without Board approval under General Orders 5, 9 and 31, be reported to the Board at some later date?

A. No.

Q. 17. Where a salary rate schedule has been established whereby increases are granted to employees every three months, based on *length of service*, may the employer, in recognition of an employee's *ability*, increase his salary several steps within the agreed salary rate range prior to the expiration of the three months' period?

A. Yes, but only if the increase made as a result of individual merit is made in accordance with an established plan within the meaning of General Order 31. An increase based on *length of service* alone may not be made without Board approval before the expiration of the stipulated period.

Q. 18. May an employee, upon being promoted from the position of bookkeeper, in which he received a salary of \$110 per month, to chief accountant, be paid, without Board approval, a rate less than \$150 per month if the former chief accountant received \$150 per month?

A. No, unless (1) an established rate range exists for the position of chief accountant in which the minimum of the range falls below \$150. In the latter event the promoted employee may be paid the minimum or any other rate in the rate range corresponding to his skill and ability; or (2) the \$150 rate was not the established job rate for the position, but was merely a personalized rate paid to the particular employee because of his length of service and experience. In that event a new rate may be set for the classification in accordance with the criteria set forth in paragraph (c) of General Order No. 6.

Q. 19. May a sales girl who was receiving a salary of \$15 a week and who is promoted to the position of assistant manager, be paid a salary of \$25 a week in her new position without approval, if prior thereto there had been no such position as that of assistant manager?

A. Yes, provided that the rate for the new job of assistant manager is fixed in accordance with the standards set forth in General Order No. 6.

Q. 20. If the salary for sales girls in an establishment varies from \$10 to \$17 per week, may this range be deemed to be a salary rate range within the meaning of General Order No. 9?

A. Yes, if the range meets the requirements of Paragraph II-A of General Order 31.

Q. 21. The only employee in a particular classification now receives \$165 per month. The position is not described in the company's schedule but the company believes that the position should pay a rate ranging from \$150 to \$200. May the employee be granted a merit increase within that range without Board approval?

A. No. If such minimum and maximum rates have not been established under or meet the requirements of General Order No. 31, approval is required.

Q. 22. May the salary of an employee be increased without Board approval if he assumes all or part of the duties of another employee who has left and has not been replaced?

A. Yes, but only if the increase amounts to a promotion to an existing higher position, and General Order No. 31 is followed. If no such position exists the rate therefore should be set in accordance with the requirements of paragraph (c) of General Order No. 6.

Q. 23. May an employer change an employee's compensation from an hourly wage to a weekly salary without Board approval?

A. Yes, provided the total amount received for the same number of hours is not changed.

Q. 24. May an employer change an employee's compensation from a salary or hourly wage rate to a piece work basis without Board approval?

A. No, unless there is a properly established piece-work rate in effect for the operation.

Q. 25. What is the so-called "five-and-ten" plan that may be adopted without Board approval under General Order No. 31?

A. This phrase refers to the limitation of 10 cents per hour or  $\frac{2}{3}$  of the rate range on the amount of increase that may be given to an individual employee and to the 5 cents per hour average of merit and length-of-service increases given to all employees. (See Section II-C-1-(c).)

Q. 26. Must individual increases which do not bring wage rates above 50 cents per hour be included in applying the five-and-ten rule?

A. No.

Q. 27. May individual increases made in accordance with General Order No. 31 be granted in addition to general increases which have been made with Board approval?

A. Yes.

Q. 28. In applying the five-and-ten rule, may an employer establish a fund of 5 cents for every man-hour worked during the year, to be distributed in increases over the year?

A. No. Such a system, if permitted, would result in permission to an employer to grant larger individual increases at the end of the year than at the beginning of the year. The rule does not mean that an average increase of 5 cents for each man-hour is permitted, but that an average increase of 5 cents in the base pay of each worker is permitted.

Q. 29. May an employer, in applying the five-and-ten rule, use a method of computation other than that provided by the Board?

A. Not without Board approval. However, he is not limited to the five-and-ten rule if he has a plan of his own in existence which meets the requirements of a properly established plan under General Order No. 31.

Q. 30. May an employer establish a plan for individual increases which are permitted under General Order No. 31, on a departmental basis?

A. Yes, however, he may not consider each department a separate unit for the purpose of bringing himself under Section I.

Q. 31. A company has half of its employees on single rate jobs, and half on jobs for which there are rate ranges. In applying the five-and-ten rule for the purpose of making individual merit and length-of-service increases, may the single rate employees be included in determining the amount expendable?

A. No. Length-of-service and merit increases may be made only within rate ranges. The employees on the single rate jobs are not "covered by the plan" and are not to be included in applying the formula.

Q. 32. May a company employing a total of 50 employees grant merit increases to 25 of them at the same time?

A. Yes. Provided they are genuine individual merit or length-of-service increases. The fact that certain increases are given at the same time to a large number of the employees does not necessarily preclude their validity under General Order No. 31.

Q. 33. May an employer without Board approval rescind a merit increase he has granted under General Order No. 31?

A. No.

Q. 34. Is an employer limited to the year July 1 to June 30 in computing the total amount of increases under General Order No. 31?

A. No. The year may be measured by the calendar year, or the employer's fiscal year. An employee may not, however, change his year after it has been fixed, to avoid the limitation on the amount of the permissible increases.

Q. 35. May an employer withhold a promotional increase for a probationary period when an employee is promoted to a new classification.

A. Yes, provided that this practice is in accordance with a properly established plan.

Q. 36. Does an employer paying a single rate to experienced workers and a lower rate to learners in the same job classification thereby have a rate range?

A. No. The hiring of new employees who are inexperienced at a lower rate than the rate set for the job does not alone create a rate range.

Q. 37. Are automatic increases given to trainees or learners under an established or approved learner or trainee system, which bring these employees to the minimum for trained workers, to be included in computing the total amount of permissible increases for the skilled classification under the five-and-ten limitation?

A. No.

Q. 38. Is an increase resulting from a reclassification from trainee to the skilled classification to be included in applying the 5-cent-10-cent formula?

A. No.

Q. 39. Must the agreement of a duly recognized or certified labor union be obtained by an employer before he may adopt the Board plan for granting individual merit and length-of-service increases?

A. Yes. The agreement of the union must be obtained if it is entitled to bargain on wage matters.

Q. 40. If an employer has no established plan under General Order No. 31, may he promote an employee to a higher paying single rated position without Board approval?

A. Yes.

Q. 41. May an employee who is promoted or reclassified and who had received a 10-cent merit increase in his former position be granted another merit increase in his new position during the year?

A. Yes.

### GENERAL ORDER NO. 32

(Adopted November 15, 1943)

(a) The National War Labor Board delegates to the Federal Deposit Insurance Corporation (hereafter referred to as the Corporation), to be exercised on its behalf by the Board of Directors of the Corporation, the authority to approve adjustments in the wages or salaries of the Employees of the Corporation, not fixed by statute, which would otherwise require the prior approval of the National War Labor Board, all in accordance with the further provisions of this Order.

(b) In the exercise of its authority hereunder the Board of Directors of the Corporation shall comply with the terms of Executive Order 9250 dated October 3, 1942, Executive Order 9328, dated April 8, 1943, the Supplement thereto issued by the Director of Economic Stabilization on May 12, 1943, and all pertinent principles and policies of the National War Labor Board or of the Director of Economic Stabilization heretofore or hereafter announced.

(c) The Board of Directors of the Corporation, without making a ruling thereon, may refer to the National War Labor Board for decisions any case which in the opinion of the Board of Directors presents doubtful or disputed questions of sufficient seriousness or import to warrant action by the National War Labor Board.

(d) A certificate by the Secretary of the Corporation attesting to the approval of the adjustment, stating the nature and amount of the adjustment, and briefly setting forth the facts indicating that the adjustment meets the requirements of the wage stabilization program, as set forth above, will be accepted by the National War Labor Board as sufficient evidence of the propriety of the adjustment. All rulings of the Board of Directors hereunder shall be subject to review by the National War Labor Board on its own initiative, but the reversal or modification of any such ruling shall not be retroactive.

(e) The certificate described herein, together with four copies thereof, shall be filed promptly with the Wage Stabilization Division of the National War Labor Board, together with such additional data and reports as said Division or the national War Labor Board may from time to time require.

### GENERAL ORDER NO. 33

(Adopted February 1, 1944)

(a) The National War Labor Board delegates to the War Relocation Authority to be exercised on its behalf by the Director of the War Relocation Authority, the authority to approve adjustments in the wages or salaries of the employees of the War Relocation Authority, not fixed by statute, which would otherwise require the prior approval of the National War Labor Board, all in accordance with the further provisions of this Order.

(b) In the exercise of his authority hereunder the Director of the War Relocation Authority shall comply with the terms of Executive Order 9250, dated October 3, 1942, Executive Order 9328, dated April 8, 1943, the Supplement thereto issued by the Director of Economic Stabilization on May 12, 1943, and all pertinent principles and policies of the National War Labor Board or of the Director of Economic Stabilization heretofore or hereafter announced.

(c) The Director of the War Relocation Authority, without making a ruling thereon, may refer to the National War Labor Board for decision any case which in his opinion presents doubtful or disputed questions of sufficient seriousness or import to warrant action by the National War Labor Board.

(d) A certificate by the Director of the War Relocation Authority attesting to the approval of the adjustment, stating the nature and amount of the adjustment, and briefly setting forth the facts indicating that the adjustment meets the requirements of the wage stabilization program, as set forth above, will be accepted by the National War Labor Board as sufficient evidence of the propriety of the adjustment. All rulings of the Director hereunder shall be subject to review by the National War Labor Board on its own initiative, but the reversal or modification of any such ruling shall not be retroactive.

(e) The certificate described herein, together with four copies thereof, shall be filed promptly with the Wage Stabilization Division of the National War Labor Board, together with such additional data and reports as said Division or the National War Labor Board may from time to time require.

### GENERAL ORDER NO. 34

(Adopted March 24, 1944)

(a) The National War Labor Board hereby delegates to the Secretary of Commerce the authority to approve adjustments in the wages or salaries of employees of the Department of Commerce, not fixed by statute, which would otherwise require the prior approval of the National War Labor Board, all in accordance with the further provisions of this order.

(b) In the exercise of the authority delegated hereunder, the Secretary of Commerce shall comply with the terms of Executive Order 9250, dated October 3, 1942, as amended, Executive Order 9328, dated April 8, 1943, the Supplement thereto issued by the Director of Economic Stabilization on May 12, 1943, and all pertinent principles and policies of the National War Labor Board or of the Director of Economic Stabilization heretofore or hereafter announced. The Secretary of Commerce shall, so far as is practicable, utilize the information and data of the National War Labor Board or of the several Regional War Labor Boards in the determination of area rates and applicable wage brackets.

(c) The Secretary of Commerce, without making a ruling thereon, may refer to the National War Labor Board for decision any case which in his opinion presents doubtful or disputed questions of sufficient seriousness or import to warrant action by the National War Labor Board.

(d) A certificate by the Secretary of Commerce attesting to the approval of the adjustment, stating the nature and amount of the adjustment, and briefly setting forth the facts indicating that the adjustment meets the requirements of the wage stabilization program as set forth above, will be accepted by the National War Labor Board as sufficient evidence of the propriety of the adjustment. All rulings of the Secretary hereunder shall be subject to review by the National War Labor Board on its own initiative, but the reversal or modification of any such ruling shall not be retroactive.

(e) The certificate described herein, together with four copies thereof, shall be filed promptly with the Wage Stabilization Division of the National War Labor Board, together with such additional data and reports as said Division or the National War Labor Board may from time to time require.

### GENERAL ORDER NO. 35

(Adopted April 24, 1944)

(a) The National War Labor Board hereby delegates to the Federal Security Agency, to be exercised on its behalf by the Adminis-

trator of the Federal Security Agency, the authority to approve adjustments in the wages or salaries of the employees of the Federal Security Agency, not fixed by statute, which would otherwise require the prior approval of the National War Labor Board, all in accordance with the further provisions of this Order.

(b) In the exercise of the authority delegated hereunder, the Administrator of the Federal Security Agency shall comply with the terms of Executive Order 9250, dated October 3, 1942, Executive Order 9328, dated April 8, 1943, the Supplement thereto issued by the Director of Economic Stabilization on May 12, 1943, and all pertinent principles and policies of the National War Labor Board or of the Director of Economic Stabilization heretofore or hereafter announced.

(c) The Administrator of the Federal Security Agency, without making a ruling thereon, may refer to the National War Labor Board for decision any case which in his opinion presents doubtful or disputed questions of sufficient seriousness or import to warrant action by the National War Labor Board.

(d) A certificate by the Administrator of the Federal Security Agency attesting to the approval of the adjustment, stating the nature and amount of the adjustment, and briefly setting forth the facts indicating that the adjustment meets the requirements of the wage stabilization program, as set forth above, will be accepted by the National War Labor Board as sufficient evidence of the propriety of the adjustment. All rulings of the Administrator hereunder shall be subject to review by the National War Labor Board on its own initiative, but the reversal or modification of any such ruling shall not be retroactive.

(e) The certificate described herein, together with four copies thereof, shall be filed promptly with the Wage Stabilization Division of the National War Labor Board, together with such additional data and reports as said Division or the National War Labor Board may from time to time require.

### GENERAL ORDER NO. 36

(Adopted June 6, 1944; Amended June 14, and July 18, 1944)

#### I. ORGANIZATION AND JURISDICTION

(A) There is hereby created within the Territory of Hawaii the Territorial War Labor Board for Hawaii, to consist of the following members to be appointed by the National War Labor Board: Representatives of Labor, two of whom are to be available for service with the Territorial Board at any given time; Representatives of Industry, two of whom are to be available for service with the Territorial Board at any given time; and Representatives of the Public, two of whom are to be available for service with the Territorial Board at any given time. There shall be two Co-chairmen and one or more Vice Chairmen, to be designated by the National War Labor Board from among the public representatives.

(B) The Territorial War Labor Board for Hawaii shall have jurisdiction over all labor disputes and voluntary wage and salary adjustments in Hawaii within the jurisdiction of the National War Labor

Board. It shall have power, subject to the same review by the National War Labor Board as other Regional War Labor Boards, to issue final orders and rulings in such cases.

(C) The Territorial War Labor Board for Hawaii shall comply with all pertinent provisions of the Rules of Organization and Procedure for the National War Labor Board, especially Part VI, entitled Jurisdiction and Procedure of Regional Boards; provided, however, that the Territorial War Labor Board for Hawaii may by unanimous vote of its members, make such modifications in its procedures as are deemed by it to be necessary for its efficient administration. Such action shall be promptly reported to the National War Labor Board and shall be subject to the National War Labor Board's ultimate power of review.

(D) In acting hereunder on wage or salary adjustments, the Territorial War Labor Board for Hawaii shall comply with the terms of Executive Order 9250, dated October 3, 1942. Executive Order 9328, dated April 8, 1943, the Supplementary Directive of May 12, 1943, and all other Executive Orders and Regulations issued thereunder. The Territorial War Labor Board may make such recommendations as to appropriate policies to govern wage and salary adjustments as are adapted to the special circumstances obtaining in the Territory. Such recommendations shall be consistent with the Act of October 2, 1942. They shall be submitted for consideration of the National War Labor Board which will transmit to the Director of Economic Stabilization those recommendations deemed by it advisable and necessary.

## II. WAGE AND SALARY ADJUSTMENTS WHICH MAY BE MADE EFFECTIVE WITHOUT APPROVAL OF REGIONAL WAR LABOR BOARD FOR HAWAII

(4) Adjustments in the wage and salary rates of individual employees as a result of (1) individual merit increases, (2) individual increases based upon length of service, (3) operation of an apprentice or trainee system, (4) individual promotions or reclassifications, (5) increased productivity under piece work or incentive plans; provided, however, that with respect to increases made under subdivisions (1), (2), and (3) of this section the total of such increases to any individual employee (subject to National War Labor Board jurisdiction) shall not exceed 10 cents per straight time hour during any year, and such increases during any such year shall not exceed an average of 5 cents per straight time hour for all the employees (subject to National War Labor Board jurisdiction) in the establishment.

(B) Increases in wage and salary rates made in compliance with any minimum wage statute or with any minimum wage order of the duly constituted authorities of the Territory of Hawaii.

(C) Adjustments in the wage and salary rates of governmental employees of the Territory of Hawaii. It is expected, however, that the authorities of the Territory of Hawaii will observe and abide by the same stabilization policies as are made applicable generally in the Territory.

(D) Establishment of a wage or salary rate or range of rates for a job classification not theretofore established for the plant involved, the rate or rate range so established to bear the same relation to rates

or rate ranges for similar classifications in the area as the existing rates in the plant bear to comparable rates or rate ranges in the area, provided however, that rates for new establishments or new departments within existing establishments must be submitted for approval.

(E) The payment to employees, whose wage or salary increases are subject to the jurisdiction of the National War Labor Board, of a bonus, fee, gift, commission or other form of compensation customarily paid to such employees in the past provided that:

(1) If in a fixed amount, the total amount so paid to an employee during the current bonus year does not exceed the total so paid to an employee for like work during the preceding bonus year, or

(2) If computed on a percentage, incentive or other similar basis, the rate and the method of computation are not changed in the current bonus year so as to yield a greater amount than that in the preceding bonus year, but a greater amount when resulting from the same rate and method of computation may be paid.

(F) No General Order heretofore or hereafter issued by the National War Labor Board shall be applicable to the Territory of Hawaii unless expressly extended thereto by action of the National War Labor Board or Territorial War Labor Board for Hawaii; provided, however, that the Territorial War Labor Board for Hawaii may in case of small total wage and salary increases, modify the provisions of paragraphs (D) through (E) above, or adopt and apply to the Territory any of the General Orders of the National War Labor Board or parts thereof and issue such amendments thereto as it may in its discretion deem necessary for the effective administration of its duties hereunder. Such action shall be promptly reported to the National War Labor Board and shall be subject to the National War Labor Board's ultimate power of review but any modification or reversal thereof shall not be retroactive.

## GENERAL ORDER NO. 37

(Adopted August 3, 1944)

The National War Labor Board hereby supplements General Order No. 36 by delegating to the Secretary of War, or to such agency as he may designate, subject to final review by the National War Labor Board, the authority to establish wage or salary schedules for civilian employees of the War Department in the various government-owned, government-operated installations located in the Territory of Hawaii, in accordance with the provisions of the Act of Congress of October 2, 1942, Executive Order 9250 dated October 3, 1942, Executive Order 9328 dated April 8, 1943, the Supplementary Directive of May 12, 1943 and all other Executive Orders and Regulations issued thereunder, subject to the following limitations:

(a) The June 6, 1944 level of wage and salary rates prevailing in army installations in the Territory of Hawaii shall be maintained in accordance with the directions subsequently set forth in this Order.

(b) Exclusive of the Hawaiian Air Depot, the approval of any wage or salary schedules resulting from job reclassifications shall not cause an overall increase in the job rates as weighted by the number of em-

employees in each job classification in all the establishments to which that schedule is applied, to exceed five percent.

(c) Wage rates to be established through job reclassifications for the Hawaiian Air Depot shall be in conformity with the schedules for other War Department installations established in the Territory.

(d) The rates for any new classifications subsequently created in any war Department installation shall bear the proper relationship to the rates for immediately interrelated job classifications in that installation.

### GENERAL ORDER NO. 38

(Adopted October 23, 1944)

(a) Except as noted in paragraph (b) hereof, the institution of a new incentive wage or piece rate, the extension of an established incentive wage or piece rate to departments not covered by existing wage incentive or piece rate plans, and the change or modification of an established incentive wage or piece rate require the approval of the National War Labor Board. An established incentive wage or piece rate is a rate which was in existence on or prior to October 3, 1942, or has been approved by the National War Labor Board since that date, or which was placed in effect without the approval of the Board pursuant to General Order No. 6.

(b) The approval of the National War Labor Board is not required:

(1) Where the rate is changed to reflect a change in method, product, tools, material, design, or production conditions. Such a change in rate must maintain the established relationship between earnings and effort, so that equivalent earnings will be paid for equivalent effort. The failure to make such a change constitutes an unauthorized wage increase or decrease.

(2) Where a new production item is placed on an incentive wage or piece rate basis in those parts of a plant where an established incentive wage or piece rate plan is in operation, provided that the principles of the plan which is in operation are applied to the new item. In establishing incentive wage or piece rates for new production items, equivalent occupational earnings must be maintained for equivalent effort. Ordinarily this result is accomplished by the maintenance of established rate setting practices based on engineering principles.

(c) If an incentive wage or piece rate which is set without Board approval as provided in paragraph (b) hereof is found to have been inaccurately determined, such rates must be immediately adjusted to bring it into conformity with the principles outlined in this order.

(d) Employers who make wage adjustments without Board approval shall maintain adequate records indicating that the adjustments were made in accordance with the principles outlined in this order. If the new rates established without the approval of the National War Labor Board under paragraph (b) hereof result in increases or decreases in average hourly earnings of the affected employees the employer must be prepared to show that such increases or decreases are the result of increased or decreased levels of performance.

(e) The provisions of this General Order supersede the provisions of General Orders Nos. 5, 6, 9, and 31 to the extent that such Orders

may relate to the institution, change or modification of incentive wage and piece rates.

### GENERAL ORDER NO. 39

(Adopted January 30, 1945)

(a) The National War Labor Board hereby delegates to the Director of Selective Service the authority to approve adjustments in the wages and salaries of the employees of the Selective Service System not fixed by statute, which would otherwise require the prior approval of the National War Labor Board, in accordance with the further provisions of this Order.

(b) In the exercise of the authority delegated hereunder, the Director of Selective Service shall comply with the terms of Executive Order 9250, dated October 3, 1942; Executive Order 9328, dated April 8, 1943; the supplement thereto issued by the Director of Economic Stabilization, dated May 12, 1943; and all pertinent principles and policies of the National War Labor Board, or of the Director of Economic Stabilization heretofore or hereafter announced.

(c) The Director of Selective Service, without making a ruling thereon, may refer to the National War Labor Board for decision any case which, in his opinion, presents a doubtful or disputed question of sufficient seriousness or import to warrant action by the National War Labor Board.

(d) Any ruling by the Director of Selective Service hereunder shall be deemed to be the act of the National War Labor Board and shall be final, subject to the National War Labor Board's ultimate power to review rulings on its own initiative, and to reverse or modify the same. However, any such reversal or modification shall not be retroactive.

(e) The Director of Selective Service shall transmit to the Wage Stabilization Division of the National War Labor Board copies of his rulings and rules of procedure, if any, as they are issued, and such additional data and reports as said division, or the Board, may, from time to time deem necessary.

### Miscellaneous Questions

Q. 1. Is the jurisdiction of the National War Labor Board over adjustments in a salary rate affected by the fact that overtime pay may increase the salary to more than \$5,000 a year?

A. No. The jurisdiction of the National War Labor Board is based on the straight time weekly or monthly rate which, if paid over a period of 52 weeks, would not exceed \$5,000 a year.

Q. 2. If a non-executive, non-administrative and non-professional employee is being paid at a rate less than \$5,000 a year, and it is proposed to increase his salary to more than \$5,000 per year, does the National War Labor Board have jurisdiction?

A. Yes.

Q. 3. Is a municipal ordinance a "statute" within the meaning of Section 4000.18 of the Regulations of the Director of Economic Stabi-

lization as amended August 28, 1943, exempting wages fixed by statute from the wage stabilization program?

A. No. For the purposes of the Director's Regulations the word "statute" has been restricted to an act of a state legislature or of Congress. See, however, General Order 12-B which exempts non-federal governmental bodies from the necessity of filing applications for approval of wage or salary adjustments.

Q. 4. Does the granting or extension of a vacation with pay require Board approval?

A. Yes. Executive Order 9250 and the Regulations of the Director of Economic Stabilization define salaries and wages as including "all forms of direct or indirect compensation." A vacation with pay is therefore considered part of an employee's wage or salary.

Q. 5. May equivalent wages be paid in lieu of a vacation without Board approval?

A. Yes, but the payment must be limited to the employee's straight time compensation.

Q. 6. Where a collective bargaining agreement, or an employee's custom or practice, provides for a vacation of one week, may an employee whose workweek has been increased from 40 to 48 hours receive vacation pay covering the increased workweek without Board approval?

A. Yes, at straight-time pay for the number of hours in the increased workweek.

Q. 7. Are sick leave plans subject to Board approval?

A. Yes.

Q. 8. Does an employer who supplies board and lodging to his employees require Board approval to increase his expenditures for such services to meet the increased cost of food, rent, etc?

A. No.

Q. 9. Where a labor union has negotiated a contract with an employer's association, which association does not represent all of the employers in the area, but represents a majority of them, and the Board has approved the wage rates set forth in the contract, is the approval of the Board required for the subsequent application of the wage rates set forth in the contract to an employer not represented in the prior negotiations?

A. Yes.

Q. 10. Where the custom and practice in an establishment has been for employees to be paid overtime compensation for all hours in excess of 48 hours per week, and to receive a pro-rata reduction in their weekly salaries in the event they work less than 48 hours per week, may the payment of such additional compensation, and the decreases in salaries, be continued without the approval of the Board?

A. Yes.

Q. 11. An employer plans to start a night shift and to pay employees on that shift a 10-percent differential. May the differential be paid without the approval of the Board?

A. No.

Q. 12. Where an employer grants his employees per diem allowances to cover expenses for traveling, may adjustments be made without Board approval in such allowances to cover the increased cost of traveling?

A. Yes.

Q. 13. Is approval required before a company may increase the wages of certain non-production employees in accordance with the "Little Steel" formula, if increases have been given to production employees within the limitations of the formula?

A. Yes.

Q. 14. May a bonus or cash prize be given to an employee who has discovered short cuts to increase production, perfected an invention, or otherwise accomplished some work in addition to his regular duties?

A. Yes, if such a bonus is awarded in good faith and is not a substitute for increasing wages, and bears a reasonable relation to the value of the service rendered.

Q. 15. Does a decrease in wages or salary within the jurisdiction of the Board which does not bring the rate below the highest salary paid to the particular employee for the particular type of work between January 1, 1942, and September 15, 1942, require Board approval?

A. Yes.

Q. 16. If a salesman has been compensated on a basis of a percentage of his sales, is an increase or decrease in his earnings, resulting from a fluctuation in his sales volume subject to Board approval?

A. No.

Q. 17. If the earnings of a salesman who is paid on a commission basis have decreased because of a decrease in total sales, may he be paid a bonus or additional compensation without Board approval to make up the decrease?

A. No.

Q. 18. Is an employee who is paid \$1.00 per hour, but who is guaranteed certain weekly earnings, a wage or salaried employee?

A. He is a wage employee since his compensation is computed on an hourly basis, notwithstanding the fact that he receives a guarantee on a weekly basis.

Q. 19. If an employee paid on a weekly basis works overtime and receives overtime pay based on an hourly rate, determined by dividing his weekly pay by the number of hours worked, is he a wage or salaried employee?

A. He is a salaried employee because his compensation is computed on a weekly basis although his overtime must be computed on an hourly basis.

Q. 20. Section 4001.1 Subdivision h (2) of the Regulations of the Director of Economic Stabilization provides that wages and salaries shall not be deemed to include premiums paid by an employer for insurance on the life of an employee if the premiums do not exceed 5 percent of the employee's annual salary or wage payments. What type of life insurance policy is permissible without approval under this Section?

A. The ordinary straight or whole life insurance policy. Premiums on endowment life insurance policies, single premium life insurance policies, fixed payment life insurance policies, and other similar insurance policies, constitute wages or salaries.

Q. 21. Under Section 4001.1 of the Regulations of the Director of Economic Stabilization, may an employer purchase life insurance, without Board approval, for one or a few of his employees, or must he purchase insurance for all of his employees?

A. He may purchase life insurance for one, or a few, or all of his employees, but the premiums must be limited to 5 percent or less of the employee's wages or salary.

Q. 22. May an employer commence to pay the premiums on an existing life insurance policy of an employee without approval?

A. No. The section is limited to new policies taken out by the employer.

Q. 23. Are premiums on group hospitalization policies which cover both the employee and his dependents considered wages and salaries?

A. No.

Q. 24. What type of profit sharing trusts may be instituted without Board approval?

A. Profit sharing trusts or plans providing for distribution of benefits upon death, disability, retirement (at a suitable age) or sickness of an employee do not require Board approval if the plan or trust meets the requirements of Section 165 (a) of the Internal Revenue Code.

Q. 25. May a company which has received Board approval for a 5¢ increase in five designated job classifications, institute such increase only in four classifications?

A. In the absence of any indication by the company that the increase was to be placed into effect for less than all the designated classifications, the employer must grant the increase to all classifications or to none at all.

Q. 26. Is an employer required to put into effect a voluntary adjustment approved by the Board?

A. No, but he may not put into effect any increase less than the approved amount.

Q. 27. Where a wage or salary adjustment is approved by the Board on a retroactive basis and some employees have severed their employment between the date of approval and the effective date of the adjustment, is the employer required to make the retroactive payments to all of these employees?

A. No. Unless the non-payment is contrary to the terms of a collective bargaining agreement.

Q. 28. Are increases to non-agricultural employees, employees in seasonal industries subject to Board approval?

A. Yes.

Q. 29. Do wage adjustments of employees of a business operated by a liquidating trust in bankruptcy, a receiver in proceedings under the Chandler act, or a state court receiver require approval?

A. Yes.

Q. 30. May an employee who has been discharged from the armed forces be restored to his previous position and be paid without Board approval a rate which reflects all increases granted during his absence to which he would have been entitled had he been continuously employed?

A. Yes.

Q. 31. May an employer without Board approval pay to a qualified new or promoted employee a wage or salary rate lower than the established rate of minimum of the rate range for the job classification for which he is employed?

A. No. Such a practice constitutes a decrease in wages requiring Board approval.

Q. 32. May an employee, without Board approval, be hired for a probationary or trial period at a wage or salary rate below the properly established rate for the job for which he is employed?

A. No, unless such a procedure is in accord with the employer's past custom and practice.

Q. 33. Is an adjustment in the compensation of a salesman who is paid a salary of less than \$5,000 a year, but who receives commissions which bring his total earnings above \$5,000 per year, within the jurisdiction of the War Labor Board or the Commissioner of Internal Revenue?

A. Such an adjustment is under the jurisdiction of the War Labor Board.

MSH 03895 **NEH**  
OCT 11 1994

D410.

Bus

**NATIONAL WAR LABOR BOARD**  
COLUMBIA UNIVERSITY  
LIBRARIES

SEP 6 1945

DOCUMENTS DIVISION

# **WAGE STABILIZATION GENERAL ORDERS AND INTERPRETATIONS**

SUPPLEMENT NO. 1

This booklet contains revisions  
to the General Orders of the  
National War Labor Board which  
have been made since the original  
booklet was published.

Interpretations issued by the  
Office of the General Counsel  
and approved by the  
National War Labor Board  
July 1945

General Order No. 4

Page 7

(48) The cigar manufacturing industry located in the Tampa, Hillsboro County, Florida area. (Approved February 2, 1945.)

(49) Wholesale produce establishments handling fruits and vegetables in Salt Lake City, Utah. (Approved March 7, 1945.)

(50) Establishment engaged in dry cleaning, dyeing and/or pressing apparel and household fabrics located in the following counties in California: Kern, Santa Barbara, Ventura, Los Angeles, Riverside, San Bernardino, Imperial, Orange and San Diego. (Approved, March 19, 1945.)

(51) Luggage manufacturing industry in Los Angeles County, California. For the purposes of this subsection this industry is defined as establishments primarily engaged in manufacturing suitcases, brief cases, bags, trunks, and related luggage of leather or other materials, but does not include establishments primarily engaged in manufacturing women's hand bags and purses or other small leather goods. (Approved, March 19, 1945.)

(52) Jewelry manufacturing industry in Region I, Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island. (Approved, March 19, 1945.)

(53) All hotels and restaurants in Atlantic County and Cape May County, New Jersey. (Approved, April 2, 1945.)

(54) The occupation of pattern maker in the Northern California Area including Monterey, Kings and Tulare Counties, and all counties northerly to the Oregon-California state boundary, according to the following definition of that occupation: A pattern maker is one who builds wooden patterns, core boxes, and match plates according to dimensions shown on blueprints by glueing, nailing, screwing, sawing, planing, sanding, and painting, using hand tools such as saws, planes, chisels, gouges, mallets, etc., and such shop machines as band saw, circular saw, brer, router, lathe planer, drill press, sander and shaper, checks results with calipers, rules, protractors, squares, straight-edges, and other measuring instruments, may make sweeps (templates) for making molds by sweep-molding method. (Approved, April 2, 1945.)

(55) All employers in the retail fur industry in Allegheny County, Pa. (Approved April 11, 1945.)

(56) All employers in the bakery industry in Cuyahoga County, Ohio. (Approved April 12, 1945.)

(57) All employers in the fur industry in Boston, Mass. (Approved April 18, 1945.)

(58) All employers in the logging industry and the saw mill industry in Gogebic, Ontonagon, Houghton, Keweenaw, Baraga, Iron, Marquette, Dickinson, Menominee, Delta, Alger, Schoolcraft, Luce, Mackinac, and Chippewa Counties, all in the State of Michigan; and Douglas, Bayfield, Ashland, Iron, Vilas, Forest, Florence, Marinette, and Oneida Counties, all in the State of Wisconsin, including the logging industry area, with the following specific provisions:

(1) that no employee presently in the service of an employer in the logging and saw mill industries in the area referred to above heretofore exempt under General Order No. 4 shall have

JAN 28 1946 PCR

**General Order No. 4—Continued**

his or her compensation reduced by reason of this action so long as he remains in the service of that employer,

(2) that new employees of any such employers shall be hired in either:

(a) at the rates the employer had in effect October 3, 1942, in respect to wages, or October 27, 1942, in respect to salaries, or

(b) at the rates properly adjusted where no approval is required under the appropriate General Order of the National War Labor Board, or

(c) at the rates approved for the particular employer by the Eleventh Regional War Labor Board. (Approved April 16, 1945.)

(59) Small firms in the metal plating and enameling shops in Los Angeles County, Calif., which shall be defined as establishments in which one or more employees are engaged in the electro-plating, plating or enameling of metal products, and establishments in which a majority of the employees are engaged in the polishing of such products. (Approved April 23, 1945.)

(60) Summer resorts including resort hotels, boarding houses, adult camps operated for profit, dude ranches and similar types of establishments throughout New York State and Northern New Jersey inclusive of the counties of Bergen, Essex, Hudson, Hunterdon, Middlesex, Morris, Passaic, Somerset, Sussex, Union and Warren. (Approved May 11, 1945.)

(61) Restaurants throughout New York State and Monmouth County, N. J., which are open only between May 1 and October 1. (Approved May 11, 1945.)

(62) Commercial garages performing repair work for the public in the Metropolitan Kansas City area. (Approved May 11, 1945.)

(64) The general automobile repair industry in the metropolitan areas of Chicago (defining Chicago as including all of Cook County, Ill., and Lake County, Ind.); Milwaukee, Wis.; Indianapolis, Ind.; and the Twin Cities, Minn.; and also Peoria, Ill. (Approved June 6, 1945.)

(65) Retail hardware stores in San Francisco and Alameda Counties, Calif., according to the following definition: Retail hardware stores—stores selling at retail any combination of the basic lines of hardware such as tools, builders—hardware and paint and glass, housewares and household appliances, and cutlery. Does not include stores selling paint only, or paint, glass, and wallpaper. (Approved June 20, 1945.)

(66) Cleaning and dyeing industry within the city of San Jose, Calif., according to the following definition: Establishments engaged in dry cleaning, dyeing and/or pressing apparel, and household fabrics. (Approved June 20, 1945.)

(Exception No. 63 to General Order No. 4 will be issued at a later date.)

**General Order No. 10, amended February 19, 1945**

Page 17—Add section (d)

(d) The provisions of this Order shall not apply to the payment of year-end bonuses by security underwriting, distributing, and brokerage companies. All such companies may pay year-end bonuses without the approval of the National War Labor Board in an amount not to exceed 6% of aggregate annual payroll of all employees of the company under jurisdiction of the National War Labor Board. The total bonus amount determined under this method must be distributed equitably and in such a manner as to avoid the creation of any intra-company inequities. Establishments that made payments totaling less than the 6% for the bonus years 1943 and 1944 may increase the payments made for those years up to 6% of aggregate annual payroll for those respective years without Board approval. For the purposes of this section, bonus year means the year during which the bonus was earned and not the year in which the bonus is paid.

For such companies, bonus payments of more than 6% must be submitted to the Board for approval regardless of the past practice of the company or Form 1 and Form 10 rulings previously issued by the National War Labor Board or its agents.

Companies filing Form 10 applications under the preceding paragraph must submit their applications to the Regional Office of the War Labor Board if the firm has no branches outside the region; and to the National Wage Stabilization Director in Washington if the firm has one or more branches outside the region in which it is located.

**General Order No. 14, amended February 12, 1945**

**Page 24—Substitute the following for paragraph (B)**

(B) There shall be a standing tripartite Appeals Committee, to consist of two representatives *of the public, who shall act as Co-Chairman*, and two representatives each of industry and labor, to be appointed by the National War Labor Board. The Committee may have such assistants as the Board may designate. The Board hereby delegates to the Appeals Committee the power to pass upon appeals from rulings by the War Department Agency under category (A) (3) above, and to perform such other duties as are hereinafter prescribed.

**General Order No. 30, amended May 23, 1945**

**Page 37—Substitute the following for the entire General Order**

In accordance with the provisions of Section 4 of Title II of Executive Order 9250, increases in wage or salary rates which do not bring such rates above 55¢ per hour, may be made without the approval of the National War Labor Board. Increases above 50¢ per hour made hereunder may not, however, furnish a basis either to increase price ceilings of the commodity or service involved or to resist otherwise justified reductions in such price ceilings.

**General Order No. 31, amended March 19, 1945**

Pages 41 and 42, Section II-F—Substitute the following for paragraphs 1 and 2

***II-F. Restrictions on Hiring Employees at Rates in Excess of the Minimum Rate of the Properly Established Rate Range for a Given Job Classification***

**1. Existing Establishments**

An employer shall hire employees at the minimum of the properly established rate range for a given job classification; provided, however, that an employee who had special ability and experience may be hired at a rate within the range corresponding to such ability and experience. But an employer may not, within a given year (which shall be the same year as the one used by the employer in calculating the average amount of merit or length of service increases given under Section II-C-1 of this General Order), hire more than 25 percent of all the employees hired in his establishment, for job classifications for which rate ranges have been established, at rates in excess of the minima of such rate ranges for such job classifications. In any establishment in which fewer than four employees are hired within the year, for such job classifications, one employee who has special ability and experience may be hired at a rate in excess of the minimum rate of the properly established rate range. If an employer has a plan properly in existence (as defined in this General Order) which operates so that some percentage of employees other than 25 percent may be hired at rates above the appropriate minimum rates, such plan may be continued in effect. All other employers are subject to the provisions of this or the following sub-sections (II-F-1, II-F-2, II-F-3).

**2. New Establishments or New Departments in Existing Establishments**

An employer shall hire employees at the minimum of the properly established rate range for a given job classification; provided, however, that an employee who has special ability and experience may be hired at a rate within the range corresponding to such ability and experience. But an employer may not within the first year of operation hire more than 50 percent of all the employees hired in his establishment, for job classifications for which rate ranges have been established at rates in excess of the minima of such rate ranges for such job classifications. During all subsequent years of operation, no more than 25 percent of all the employees hired in his establishment for such job classifications may be hired at rates in excess of the minima of such rate ranges for such job classifications. In any establishment in which fewer than four employees are hired within the year, for such job classifications, one employee who has special ability and experience may be hired at a rate in excess of the minimum rate of the properly established rate range. If, after the first year of operation, an employer has a plan properly in existence (as defined in this General Order) which operates so that some percentage of employees other than 25 percent may be hired at rates above the appropriate minimum rates, such plan may be continued in effect.

**General Order No. 38, amended March 19, 1945**

Pages 62 and 63—Substitute the following for the entire General Order

(a) Except as noted in paragraph (b) hereof, the institution of a new incentive wage or piece rate, the extension of an established incentive wage or piece rate to departments not covered by existing wage incentive or piece rate plans, and the change or modification of an established incentive wage or piece rate require the approval of the National War Labor Board. An incentive wage or piece rate means a method of payment designed to compensate an employee in some relation to his productivity rather than in relation to number of hours or time worked; the term does not include the commission method of payment. An established incentive wage or piece rate is a rate which was in existence on or prior to October 3, 1942, or has been approved by the National War Labor Board since that date, or which was placed in effect without the approval of the Board pursuant to General Order No. 6.

(b) The approval of the National War Labor Board is not required:

(1) Where the rate is changed to reflect a change in method, product, tools, material, design, or production conditions. Such a change in rate must result from the application of the established rate-setting principles and standards on which the existing incentive plan is based. The established rate-setting principles and standards are those provisions of the plan which govern the maintenance of the relationship between (a) earnings at normal efficiency and (b) job content and job requirements.

(2) Where a new production item is placed on an incentive wage or piece rate basis in a department of a plant where an established incentive wage or piece rate plan is in operation, provided that the established rate-setting principles and standards of the plan which is in operation are applied to the new item. The established rate-setting principles and standards are those provisions of the plan which govern the maintenance of the relationship between (a) earnings at normal efficiency and (b) job content and job requirements.

(c) A significant change in the content and requirements of a particular job resulting from a change in method, product, tools, material, design, or production conditions or resulting from the introduction of a new production item requires a change in the rate applicable to such job.

(d) If an incentive wage or piece rate which is set without Board approval as provided in paragraph (b) hereof is found to have been inaccurately determined (that is, when the application of the new or changed rate fails to maintain the established relationship between (a) normal-efficiency earnings and (b) job content and requirements) such rate must be promptly adjusted to bring it into conformity with the principles outlined in this order.

(e) Employers who make incentive wage or piece rate adjustments without Board approval must be able to show that the adjustments were made in accordance with the principles outlined in this order. If the new rates established without the approval of the National

**General Order No. 38—Continued**

War Labor Board under paragraph (b) hereof result in increases or decreases in average hourly earnings of the affected employees the employer must be prepared to show adequate reasons for such increases or decreases.

(f) Any provisions of a collective bargaining agreement which are inconsistent with one or more provisions of this General Order shall continue in effect only during the present term of such agreement.

(g) The provisions of this General Order supersede the provisions of General Orders Nos. 5, 6, 9, and 31 to the extent that such Orders may relate to the institution, change, or modification of incentive wage and piece rates.

### *Interpretation to General Order No. 31*

On March 19, 1945, the National Board amended Sections II-F-1 and II-F-2 of General Order No. 31 so as to permit rate-range employers to obtain approval from Board Agencies of proper plans for hiring new employees at rates above the minimum of the respective rate ranges. Before the date of this amendment all employees except those who, as of the effective date of the original Section II-F had properly established hiring plans were bound by the so-called 25 percent hiring restriction.

Under the new amendment Board Agencies may approve hiring plans subject to the conditions stated below. Such approval relieved employers of the rigid limitation that no more than 25 percent of all employees hired within an establishment for rate-range jobs in a given year may be hired at rates above the minima of the ranges.

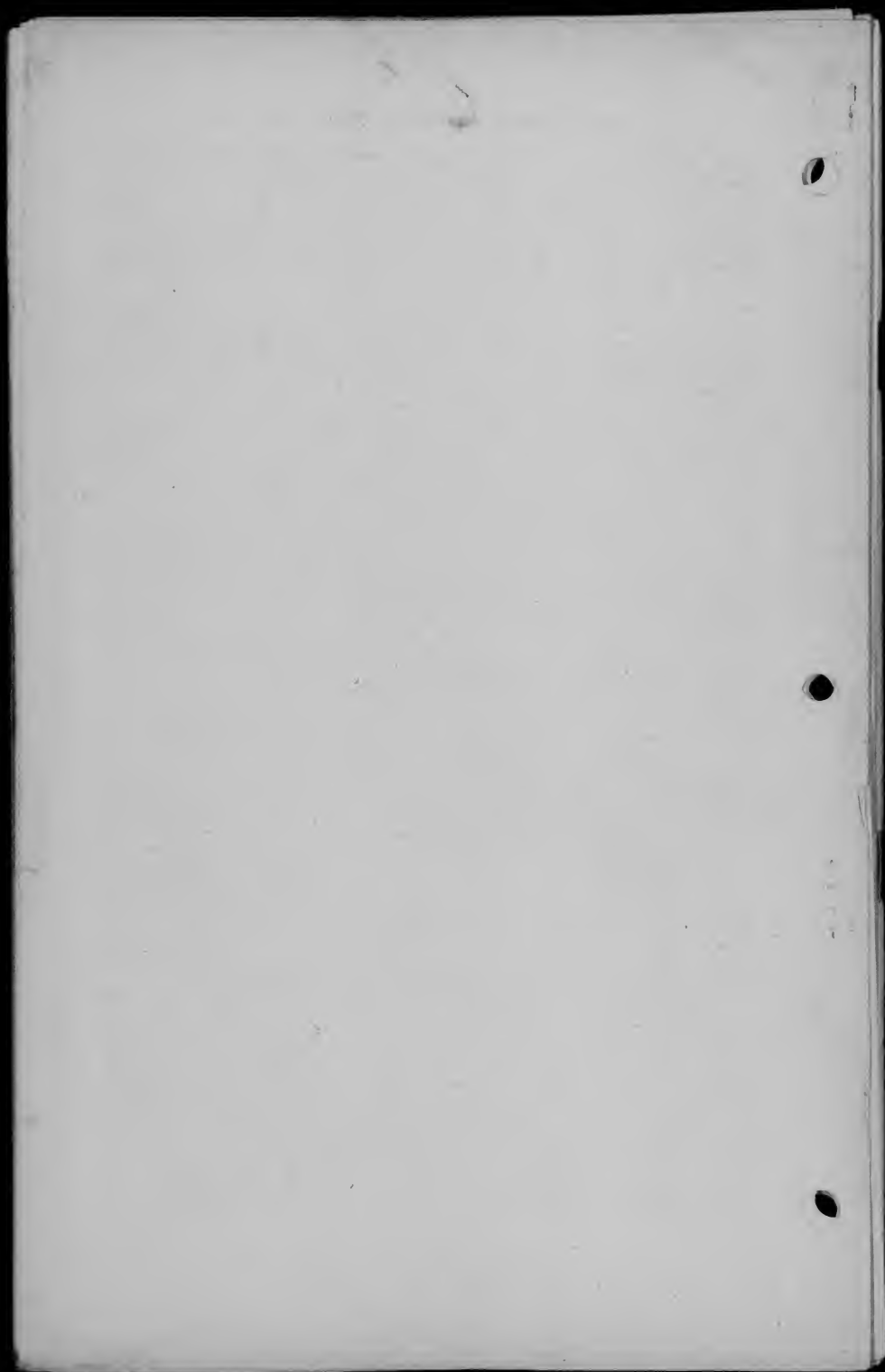
It is most important to bear in mind that the purpose of the 25 percent rule, like the purpose of the Board's in-grade progression rules, was to help prevent the intra-range averages of individual employees' rates from being so high as to give rate-range employers a discriminatory advantage over single-rate employers. This means that a hiring plan requested by an employer under the new amendment in order to free himself of the rigid 25 percent limitation should be approved only when it contains operating controls which will result in definitely limiting the number and proportion of new employees hired at above-range-minimum rates. In other words, the new amendment does not relinquish control over above-minima-hirings; it merely substitutes flexible controls, suited to individual employers' circumstances, in place of one over-all, inflexible control.

Accordingly, Board Agencies may approve hiring plans under the following three conditions:

1. The employer must establish that he has rate-range minima which are at least as high as the appropriate approvable rate-range minima set up by the Board Agency. It is not permissible to relieve an employer of the 25 percent rules and approve a special plan for his plant if his rate-range minima are unduly low; clearly part of his inability to recruit new employees has been caused by such low rates; and
2. The employer must establish that he has studied and properly defined his jobs, so that his rate ranges are not unduly wide and do not actually cover more than one job. There should be no encouragement of any subterfuge through excessive splitting up of jobs; "A, B, and C" can be greatly overdone. But it is a fact that the job titles of many employers cover two or more jobs and that such "jobs" should be broken down, with proper descriptions and rate ranges; and
3. The employer must establish that he has a set of objective standards and criteria for measuring and evaluating the worth (i. e., the experience, ability, skill, and aptitude) of applicants and that he applies these standards and criteria uniformly in such a way that the number and percentage of new employees hired above rate-range minima is controlled and limited. Such criteria include interviewing techniques, records of employees in former employments, experience and education ratings, trade tests, aptitude tests, and other relatively nonsubjective methods of gauging the fitness of applicants and of determining, in comparison with present employees, the specific rates within the rate ranges at which the applicants are to be hired.

U. S. GOVERNMENT PRINTING OFFICE: 1945

For sale by the Superintendent of Documents, U. S. Government Printing Office  
Washington 25, D. C. - Price 5 cents



**END OF  
TITLE**